"The Chief Money Illusion" (Page 20)

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The Nation's Business

Do We Need A Wheat Policy?

Canada's No 1 Wage Envelope

Printing, Publishing

Soldiers' Settlement Proves Costly

Expenses of Venture Weigh Heavily

A Permanent Wheat Policy

CANADA'S Wheat Board, under the chairmanship of James R. Murray, deserves credit for substantially liquidating this country's unwieldy wheat surplus in the last four months. The visible supply in marketable position has already been reduced to a point not reached until fully two months later a year ago. But the problem of creating a permanent Canadian wheat policy remains.

Canada faces the distinct possibility of a big wheat crop this summer. In United States, too, conditions are shaping in the same direction. It is too much to expect a repetition of 1935, when there was a combination of short yields all through the western hemisphere. The Argentine had one of the slimmest crops on record. United States production actually fell behind domestic consumption, while our own prairies turned out but little over half the normal output.

Next fall the Wheat Board may be faced with upwards of 300 million bushels of new surplus wheat, and competition of the keenest sort from United States, and later on, the Argentine. Indeed, competition from these two countries and Australia, Russia and the Danubian areas in the eastern hemisphere must be considered normal. Under such conditions, it is imperative that Canada evolve some permanent policy in regard to wheat production and marketing.

We must decide whether we are going to continue growing wheat on the present scale. If so, we must decide whether we will bonus exports or cut production costs to meet all comers. If we adopt the course of acreage reduction to accommodate a greatly curtailed export, then the problem of idle acres remains. When the Wheat Committee of the House of Commons resumes sittings after the Easter recess next week, such problems should give it ample scope for useful activity. A political investigation is neither needed nor wanted.

* * *

Our Biggest Wage-Payer

THE Toronto Star Weekly, always alert for the pointed statistic, indicates that printing payrolls lead all Canadian industry.

Salaries and wages in printing, publishing and book-binding totalled $34,947,782 in 1934, the highest in Canada.

* * *

CURIOUSLY enough it was the printing and publishing business, which gives Canada her largest payrolls, that received the scantiest consideration in the reciprocal trade agreement with the United States.

The printing trades had their ad valorem tariff on printed matter entirely removed, leaving them with a small specific duty that, on a great deal of United States commercial propaganda, might almost as well not exist. Canadian printers find it very small protection against the formidable competition of mass produced and "extra run" advertising literature printed across the border.

The periodical publishing industry finds itself competing against magazines dumped in the country at less than cost. Yet it is subjected to heavy tax and tariff contributions to the Dominion treasury that are not asked of the imported periodicals.

* * *

THE development of the printing and publishing industry in Canada is important from the standpoint of Canadianization of our commerce and culture but it has a large dollars and cents significance as well. The Star's figures, based on a report of the Dominion Bureau of Statistics, make that very clear. They underscore the case for fair treatment for both printing and publishing in the forthcoming budget.

What these industries regard as reasonable treatment varies with the needs of each. The printers ask an ad valorem duty, to be applied alternatively with the present specific duty. The effect would be to give moderate protection on all grades of printing, whether cheap mass printing or medium and high-grade printing.

* * *

THE periodical publishers are not asking for protection but for removal of the duties and taxes that they pay but that their competitors do not pay.

The paper industry stands to gain as the printing and publishing trades grow. If in the next eight years Canadian magazines develop in circulation as they have in the past eight years a mighty new market for Canadian paper will be opened up at home. This will give Canadian paper mills, manufacturing other than newsprint, the benefit of lower costs, encourage them to modernize their machinery, and enable them to meet the world on all grades of paper with the competitive efficiency that our

(Continued on page 2, col. 3)

C.P.R. Gains, C.N.R. Loses, In 2 Months

Comparative Results for January, February Show Costs Up

FIGURES IN CONTRAST

Comparison of results of the C.N.R. and of the C.P.R. for the first two months of 1936 shows the privately-owned road making greater progress than the Government railway.

Operating expenses of both roads have risen, partly due to restoration last year of half the 10 per cent wage reduction.

In February, gross revenue of the C.N.R. rose 5.2 per cent but operating expenses rose 8.7 per cent so that the Government road had an operating deficit compared with an operating surplus for the 1935 month. The experience for the two months was similar.

C.P.R. Gain in January

The C.P.R. gain in February had a slightly larger increase in operating expenses than in gross revenue. Hence net revenue for the month showed only a slight increase.

The C.P.R.'s large gain in gross revenue in January is largely responsible for the 9.9 per cent gain in gross for the first two months of 1936. Operating expenses for the two months rose 7.9 per cent. The gain in gross for the two months, however, was sufficient to allow an increase in net revenue of 40.4 per cent for the two months. This contrasts with a drop of over $400,000 in the C.N.R. net revenue.

March results are expected to appear about May 1.

Comparative figures for the two roads follow:

Canadian National Railway	1936 $	1935 $	Incr. %
February			
Gross rev. ...	13,066,507	12,421,805	5.2
Oper. exps. .	13,354,967	12,289,238	8.7
Net revenue .	†288,460	132,567	*317.6
2 Mos. Ended Feb. 29			
Gross rev. ...	25,809,061	24,529,392	5.2
Oper. exps. ..	26,673,851	25,143,178	6.1
Net revenue .	†864,790	†613,786	*40.9

† Deficit. * Decrease.

Canadian Pacific Railway			
February			
Gross rev. ...	9,280,593	8,656,019	7.2
Oper. exps. ..	8,413,196	7,805,875	7.8
Net revenue .	867,397	850,144	2.0
2 Mos. End. Feb. 29			
Gross rev. ...	18,604,415	16,922,663	9.9
Oper. exps. ..	17,124,445	15,868,205	7.9
Net revenue .	1,479,970	1,054,458	40.4

More Profits Made in 1935

Toronto Stock Exchange analysis of earnings reports of 99 companies so far reporting 1935 operations discloses increasing earnings and decreasing deficits. Eighty-three companies reported net profits against 74 in 1934 and instead of 25 reporting deficits there were 16 companies reporting deficits in 1935.

Only the textiles and utilities showed declines in 1935 as compared with 1934. Only two food companies (chain stores and milling companies) went into the red as compared with three companies in 1934. Mining companies had the largest gain in net with International Nickel contributing $26.1 millions.

Net Earnings	1935 $	1934 $
Construct.	5,781,321	4,077,957
Finance	5,609,766	5,585,363
Foods	2,084,528	1,624,920
Liquors	530,165	101,646
Mines	47,949,581	37,301,414
Miscel.	12,174,045	10,776,907
Oils	3,070,581	2,964,381
Papers	2,037,031	1,419,784
Textiles	899,507	928,203
Utilities	18,163,677	21,766,527
	98,300,202	86,547,102
No. of cos.	83	74
Net Deficits		
Construct.	181,436	1,230,948
Foods	650,347	304,908
Liquors	18,846	770,299
Mines	737,674	1,629,059
Miscel.	1,639,321	2,742,128
Papers	124,213	746,827
Textiles	46,037	145,219
Utilities	1,677,013	1,275,969
	5,074,887	8,845,357
No. of cos.	16	25

Windsor Plan Strikes Snag

Negotiations between representatives of bondholders and the Windsor Finance Commission have reached another state of deadlock over the proposals to refinance the defaulting city's debts.

The proposals remain in essentially the condition reported last week in The Financial Post. The 60-year term of proposed new bonds has given rise to the deadlock. Some creditors favor a 30-year term with provision for review of the plan in 1965, but this has not been acceptable to the Finance Commission.

If some compromise is not reached by the negotiating groups, settlement of this point may devolve upon the Ontario Municipal Board. When the refunding is completed, the Windsor Finance Commission will be abolished under an act passed at the recent session of the Ontario legislature. Windsor's affairs, however will remain under provincial supervision.

Canadian Rail To Get Offers

See 60 Cents on Dollar and Other Bids Forthcoming

In confirmation of The Financial Post's forecast three months ago, it is now reported that one bid of 60 cents on the dollar to first mortgage bonds of Canadian Rail & Harbor Terminals has been made to the trustee.

Two and possibly three bids are expected to be in the hands of the trustee, Toronto General Trust Corp. when offers are opened April 24 under judicial sale proceedings. Bids are not disclosed until the time of sale.

The bonds have advanced to 55 bid, 56 asked, from about 50 earlier this year.

Bond Representation

It is expected some $2.5 millions of the outstanding $3.5 millions of 6½ per cent first mortgage bonds will be represented at the sale. The Canadian bondholders' committee headed by Rt. Hon. Arthur Meighen has $1.3 million of bonds on deposit. The American committee which formerly submitted a plan of reorganization to include holders of junior securities is understood to have deposits of about $500,000 of bonds. There will also be individual bondholders represented at the meeting.

It is understood the American committee has submitted proposals to the Meighen committee under which it would be willing to vote its bonds with those deposited with the Meighen group. These proposals, however, have so far been unsatisfactory. Hence there may be a split in the voting at the meeting.

Property and Assets

The mortgaged property consists of cold storage terminal warehouse and docks on the Toronto waterfront. Earnings under trusteeship have been running about $158,000 a year before deductions for depreciation and incidental receivership expenses.

Among the assets is some $500,000 of working capital, part of which represents cash on deposit with the trustee, Toronto General Trusts Corp. There is some question over what part of this cash is applicable to first mortgage bonds and what to junior mortgages.

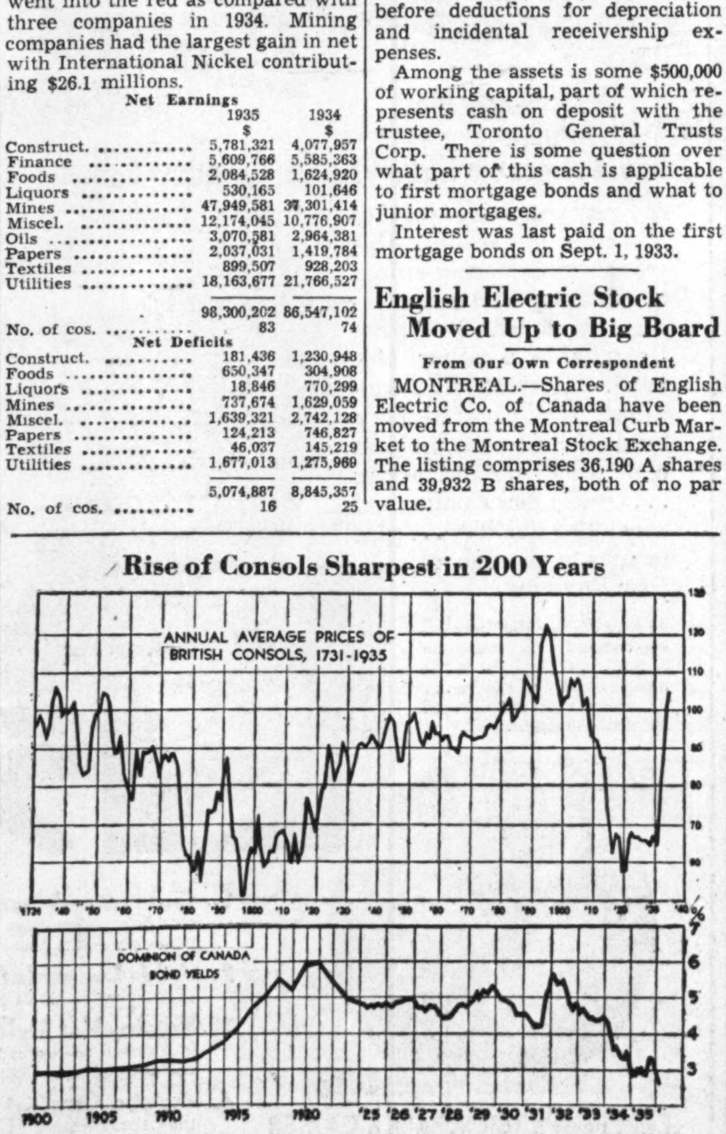
Interest was last paid on the first mortgage bonds on Sept. 1, 1933.

English Electric Stock Moved Up to Big Board

From Our Own Correspondent

MONTREAL.—Shares of English Electric Co. of Canada have been moved from the Montreal Curb Market to the Montreal Stock Exchange. The listing comprises 36,190 A shares and 39,932 B shares, both of no par value.

Rise of Consols Sharpest in 200 Years



By mathematical adjustments for changes in issues and rates, A. E. Ames & Co., Toronto investment firm, shows the fluctuation of British Consols over the past 200 years. The chart, reproduced above, shows that the rise since 1931—marking the fall of interest rates—is the sharpest in two centuries. The same firm's calculation of yields on Canadian government bonds shows that the interest rate level in Canada is now at the lowest point of the present century.

Calculated levels of British Consols are based on 3 per cent annuities from 1731 to 1751; on 3 per cent Consols to 1888; on 2¾ per cent from 1888 to 1902; thereafter on 2½ per cent Consols. All are mathematically adjusted to comparative levels. Various issues were used to calculate Canadian government bond yields and all have been adjusted to a 25-year, 4½ per cent coupon basis for comparison.

Market Shuns Western Bonds Prices Vanish

Buyers Desert Issues as Offerings Enter Market

DUE TO ALBERTA

The market for bonds of the western provinces is almost entirely disorganized.

While there has not been any widespread liquidation of bonds, the area of disturbance to the bond market as a result of Alberta's default and refunding proposals has spread so that the market for Alberta, British Columbia, Saskatchewan and Manitoba bonds has practically disappeared.

Fear that other western provinces may follow Alberta's action has caused investors to turn their backs on these bonds for the present. The situation, however, has not reached the stage where bonds are being tossed on the market at a substantial drop from prices quoted a week ago. While offerings have been made at slightly lower prices, buyers for the most part have been absent. Bid prices in many cases have been ridiculously low. Bids for Alberta and British Columbia issues have been entirely lacking.

Prices Are Nominal

It is almost impossible to obtain reliable prices. Quotations are largely nominal in nature. In most cases business cannot be done at the approximate levels quoted between dealers.

The rest of the market continues to stand up well under the disturbance. Dominion of Canada bonds have declined fractionally, as have eastern Canada provincials. This is largely due to the Easter week-end inactivity.

While Premier Aberhart is proceeding with his refunding plans, bondholders have taken no action to protect their interests. It is expected, however, that representations will be made in the near future.

Leaves Door Open

Investment circles are still hopeful that some agreement may be reached between the Dominion government and Alberta, but both decline to retreat from their positions. It is pointed out that while he is proceeding with his plan for compulsory refunding of Alberta's debt, Premier Aberhart has left the door open to participation by his government in a loan council or Dominion guarantee scheme.

In addition to authorizing compulsory refunding, "The Provincial Loans Refunding Act provides that the Alberta Government may enter into agreements with the Dominion government:

"(a) Providing for the guarantee by Canada of the payment of principal and/or interest and/or sinking fund of securities heretofore issued or hereafter to be issued by the province for the purpose of refunding all or any parts of the indebtedness of the province for the time being secured by any securities of the province;

"(b) Providing for the guarantee by Canada of the payment of prin-

(Continued on page 2, col. 3)

Economic Council "Hits the Rocks"

Coast "Brain Trusters" Dwindle to Three

That British Columbia's Economic Council now comprises but two members and a chairman is indicated in the answer to a question asked recently in the Legislature at Victoria.

Of an original group of eight, the only remaining members, according to this return, are Dr. W. A. Carrothers, Vancouver, chairman of the council; Joseph O. Nicholls, Nanaimo, and Dr. H. C. Wrinch, Hazelton, B.C.

Members of the council who have resigned since their appointment include: James G. Robson, New Westminster; Thomas W. Bingay, Trail, James H. Lawson, Vancouver, Percival E. French, Vernon, and J. B. Leland, West Vancouver.

Total cost of the council in two years of operation is given as $28,000, of which $12,500 went to salaries, $4,800 to travelling expenses, and $10,700 to staff and office expenses.

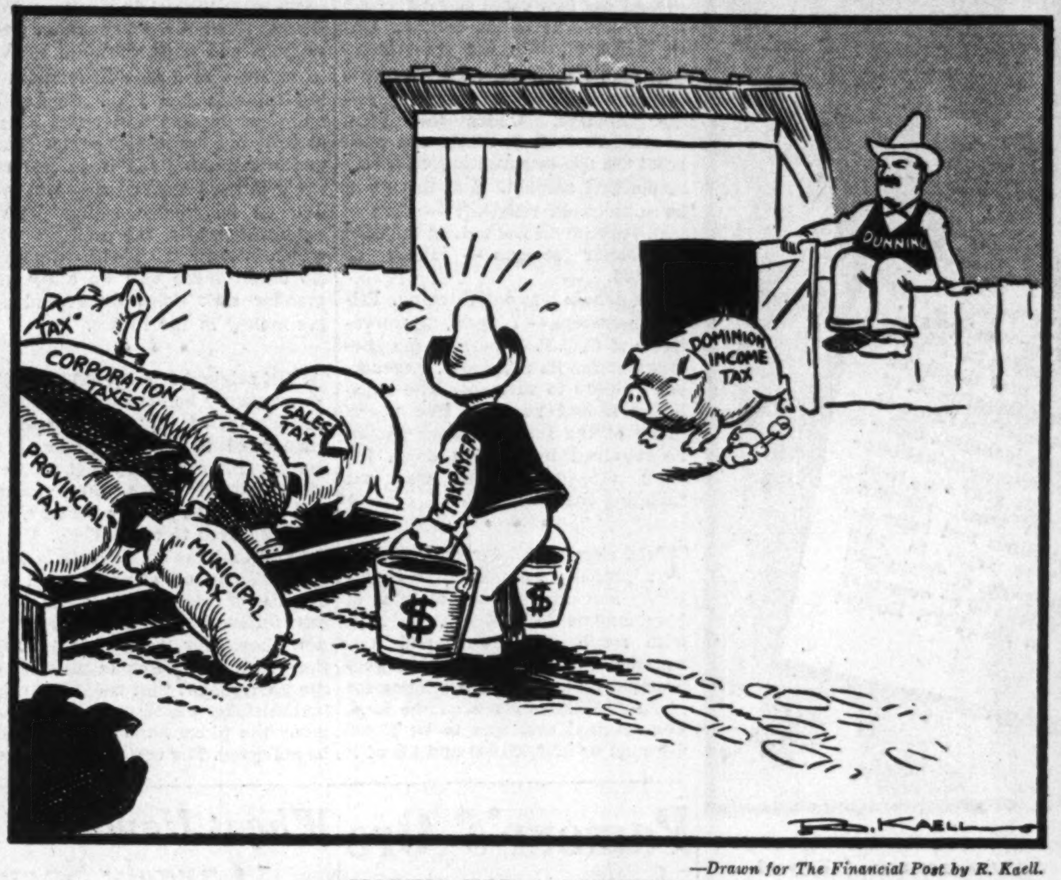
Only the chairman of the council is under a salary at $6,000 per annum, the members receiving $10 per day, while attending meetings of the council, together with actual expenses incurred in travelling to and from such meetings.

Alberta Makes Change In Debt Legislation

The Alberta government has repealed the Agricultural Industry Stabilization Act which provided for a virtual moratorium on all farm debt.

Passed early in 1935, the act drew sharp criticism from mortgage firms in that it allowed farmers who were in a position to meet their obligations to enjoy protection from creditors. It applied only to debts which had been contracted before July 1, 1932.

The contemplated amendment to debt adjustment legislation whereby all payments on mortgages during the past three years would be credited to principal, whether paid as interest or on principal, was abandoned by the government.



—Drawn for The Financial Post by R. Kaell.

HOPING FOR A BIG MEAL.

Canadian Distillers Take Inventory Losses

Lower U. S. Duty Precipitates Price Declines — Floor Stocks Take Heavy Loss — Large Supply To Be Disposed Of

Though exports of Canadian whisky to the United States in January were twice what they had been in January, 1935, and in February four times what they had been in the previous February, this is not absolute proof that the drop in United States duty from $5 to $2.50 a gallon has solved the problem of disposing of the whole Canadian surplus. There had been a considerable holdback in December in spite of the Christmas demand because the drop in duty was not effective until January 1. 1936. For the three months including December, the increase was not greatly above what it had been for the same three months in 1934-35. Fluctuations in monthly export totals have been common and the exports in January and February are still much lower than they were in the first three months of the "wet" era.

(In thousands of dollars)	1935	1936
February	510	2,309
January	548	1,142
	1934	1935
December	3,864	1,611
November	1,338	2,223
October	1,625	1,464
September	897	865
August	485	685
July	690	940
June	393	603
May	997	1,065
April	973	1,111
March	1,962	866
February	2,422	510
January	4,072	548
December, 1933*	3,204	....

*December, 1933, was the first month when U. S. "dry" laws were recalled.

Prices Drop

Legal exports to the United States since dry laws were abrogated on December 5, 1933, total 6.3 million proof gallons and the price has been dropping through this period as competition grew more intense in the United States. The following table shows the total invoice valuation, as reported by the Dominion Bureau of Statistics, to have dropped from $7.36 at the outset of the new "wet" era to an average of $6.48 in 1934, of $5.60 in 1935 and of $5.25 a gallon in February.

Exported to United States	Proof gallons	Valuation per gal.
February, 1936	439,946	$5.25
January, 1936	207,268	5.50
12 months, 1935	2,222,066	5.60
12 months, 1934	3,011,445	6.48
December, 1933	438,000	7.36
Total exported	6,318,725	

Set over against the United States consumption of whisky in the pre-dry era the total whisky aged 4 years and over available from Canadian warehouses looked like a drop in the bucket to investors back in 1933 and 1934. Actually the dry era had hardened millions of United States human interiors to young whisky and though drinkers would have liked fully matured whisky if the price was not much more than for raw whisky, the $5 a gallon duty made Canadian whisky unblended too expensive for them. Those Canadian distillers who established United States distilleries or connections were able to "cut" their whisky after exporting and meet the low prices. Cheap blends became popular.

It was hoped in 1936, because of lower duties to sell a lot more than in the last two years. As shown above this may be done but it will not be at the prices formerly prevailing. United States distillers and merchandisers cut their prices to meet or prevent the expected competition. Things are much therefore as they were except that prices have gone lower both in the United States and Canada.

Whisky Stores Still High

The following table shows that the problem of transferring a large Canadian whisky asset into currency the

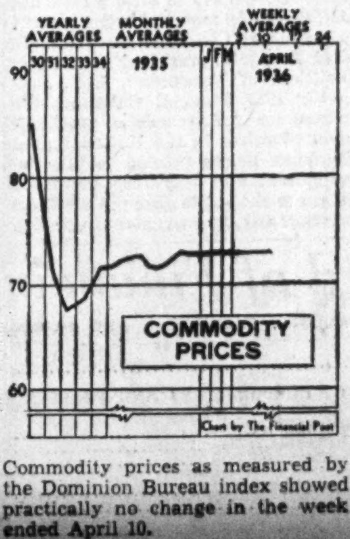
(Continued on page 2, col. 4)

Butter Output Continues Rise

March butter production gained 6 per cent over the same month last year. Cumulative figures for 1936 to date show even greater improvement. Chief reason is the steady increase in output from western Canada due to improved feeding conditions. Prices remain close to export levels. Stocks in storage show little change from last year.

Comparative figures for the week follow:

			—Change— From prev. period	From prev. year
Monthly:		March	%	%
Cream. butter,	lb.	9,558,375	..	+6
Weekly:				
Car loadings,	No.	44,345	+0.7	+0.4
Cattle sales ..	No.	13,666	—21	—9
Hog sales	No.	16,911	—6	—11



Commodity prices as measured by the Dominion Bureau index showed practically no change in the week ended April 10.

Toronto Exchange Adopts Post System of Trading

Post system of trading was adopted by the Toronto Stock Exchange April 15 when it moved into the quarters of the old Standard Stock & Mining Exchange on Richmond St. That floor is well adapted for the system of trading in specific groups of stocks at defined posts here and there and indeed it was thus used in the old days by the Standard before it merged with the Toronto Stock Exchange.

Spectators no longer see busy clerks at work on huge blackboards running the whole length of the floor on two sides. The information as to sales of shares in a specific group is listed in convenient form at its own post. It may not suit the spectator, but it facilitates the work of the trader.

The new system was tried out on the Toronto Stock Exchange floor with one group of stocks before the move. Now it has been extended to all groups. When the new Toronto Stock Exchange building is completed its trading floor will continue the post system.

Limit of 24 Per Cent In Interest is Sought

From Our Own Correspondent

OTTAWA.—Under the chairmanship of Hon. E. N. Rhodes, former finance minister, a Senate sub-committee is drafting legislation to restrict the interest charges which may be imposed on deferred payment purchases, personal loans and similar short term borrowings.

The sub-committee comprises a few members of the Banking and Commerce committee of the Upper House and the decision, it is learned, is to fix 24 per cent per annum as the maximum charge. This would be at the rate of 2 per cent per month.

Under the leadership of Rt. Hon. R. B. Bennett, Parliament tackled this problem a few years ago and enacted a statute fixing maximum rates of 30 per cent or 2½ per cent per month. It is now proposed to cut the annual total by 6 per cent.

Textile Companies To Produce Costs

MONTREAL.—Unwillingness of representatives of the textile companies to expose themselves to a fine and possible imprisonment through making public confidential information submitted to the Tariff Board, was overcome by Mr. Justice Turgeon, Royal Commissioner investigating the textile industry, by issuance of an order compelling the companies to submit figures on production costs.

The enquiry will resume at Montreal about the end of the month.

Highlights

Company Laws

Confused condition exists through lack of uniform legislation by Dominion and provinces, with no sign of corrective move. Page 3

The Next Five Years

John Imrie, Professor J. P. Day and Charlotte Whitton discuss the economic outlook for Canada. Page 11

Money vs. Wealth

Sir Norman Angell explodes the fallacy that money and wealth are synonymous, in a further discussion of the "Money Mystery." Page 20

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Sinking Fund Bond Issues Are Checked

Changes in Ontario Municipal Act Important to Investors

REDUCE EARNING BASIS

Restriction of the issuance of sinking fund debentures by Ontario municipalities and abolishment of the power of counties to guarantee debentures of any of its local municipalities are provided by an amendment to the Municipal Act passed by the Ontario Legislature.

With control of issuance of sinking fund debentures entirely in the hands of the Ontario Municipal Board, the legislation contemplates that no such securities are to be issued by municipalities except where occasional circumstances arise which make it desirable for the larger cities, like Ottawa and Toronto, to make such an issue. In this connection, H. L. Cummings, deputy minister of municipal affairs, points out that in the London market, sinking fund securities are much more attractive than serial debentures.

Advocated for Years

Advocated by municipal experts for years, sinking fund debenture restriction is considered a forward step in municipal finance in Ontario. Behind the amendment lies the grief that has come to municipalities, ratepayers and sometimes creditors from unwise or illegal handling of sinking funds. In addition, serial debentures cost the municipality less in the long run.

The unsoundness of sinking fund debentures for municipalities has been proved over and over again and there have been numerous cases where sinking fund investments have fallen on evil days. With many municipalities in default, sinking funds have found themselves in possession of a large amount of depreciated securities on which they were receiving no income.

Switch Investments

In the past, the investment dealer has been inclined to favor the sinking fund debenture and in this he has his own interest, rather than that of the municipality, at heart. Sinking funds have been a convenient and profitable market for securities.

In recent years, there have been abuses in switching sinking fund investments. Sinking fund trustees, attracted by a possible profit, have been persuaded to sell their high-grade bonds and purchase others not selling at a substantial permium.

An interesting example of this has recently come to the attention of The Financial Post. Just five days before Alberta defaulted, the municipal council of Revelstoke, B. C. confirmed the sale of $28,000 Saskatchewan 4 per cent debentures and the purchase of a similar amount of Alberta 4 per cent debentures. A profit of $1,092 was made by the sinking fund. The Revelstoke Review in commenting on this exchange on March 27 stated that "It is confidently expected that the price of Alberta bonds will so appreciate in value within a short time that a further profit of between two and three thousand dollars will result."

Four days later, Alberta defaulted. The profit has been wiped out and, with refunding in prospect, a much smaller yield will be obtained.

Purchase Own Debentures

Restriction of the amount of a municipality's own debentures that can be purchased for sinking fund is also to be put in force. Heretofore there has been no statutory limit with the result that some municipalities have invested most of their sinking funds in their own debentures. The city of Windsor, for instance, at the time of its default had 80 per cent of its sinking fund invested in its own securities. Basically, the Department of Municipal Affairs feels, a trustee should not be permitted to invest trust funds in securities of its own making, or which it has to discharge out of its own funds. Until the time arrives that a true basis can be found, the limit has been set at 25 per cent.

Earning Basis

Should sinking fund debentures be sold in the future, the earning basis is to be three per cent rather than four per cent as in the past. This is necessary because of the lower yields now obtainable on high-grade bonds.

In discussing with The Financial Post the alteration in regulations one student of municipal finance expressed the hope that other provinces would adopt similar legislation. While there have been abuses in Ontario, the situation as regards sinking funds of municipalities in western Canada is even worse. During the past 15 years only about 10 per cent of the municipal debentures issued in Ontario have been sinking fund securities.

Can't Capitalize Tax Arrears

An amendment to the Assessment Act prohibiting the issue of debentures secured by either outstanding tax arrears or against lands purchased by the municipality at tax sales, is also of considerable importance to investors.

In bringing in the amendment the government stated that such a method of capitalizing and funding current revenues which had not been collected is unsound, and in the few cases where the experiment has been tried, experience has shown that not only are tax arrears and sale of tax lands rendered less liquid, but also that the debentures issued have to be met by the imposition of new tax levies which are largely paid for by taxpayers who are not in arrears of taxes.

SMART SPORTSWEAR from EATON'S

There's smart style for Spring and cool comfort for summer in the finely fashioned sportswear now displayed in the Men's Clothing Department of the T. Eaton Co.! A splendid range of all-wool tweed sports jackets in dashing yet tasteful colour combinations of fawn, brown and grey . . . and sports trousers in small shepard checks . . . gabardines and houndstooth checks that seem to step straight from the pages of "Esquire"! Clothing priced at 15.00 or over may be purchased on EATON'S Budget Plan if desired.

Tweed sports jackets (all-wool) each 10.00—12.50—15.00 (A) Jacket . . . 12.50 (B) Jacket . . . 10.00.

Plain white (all-wool) flannels . . . 7.50 pair.

Gabardine (all-wool) flannels . . . 10.00 pair.

Sports trousers (all-wool flannel) check designs . . . 3.95 to 7.50 pair. English "Barrans" worsted finished all-wool flannels . . . 10.00 pair.

(Trouser sizes (waist) 30" to 42").

Men's Clothing Department—Second Floor—James Street.

THE T. EATON CO LIMITED

WANTED

Young man as manager of Toronto Branch of Trust Company. Applicant will please state age, experience and salary expected. Box No. 316, The Financial Post, Toronto, Ont.

Opportunity to make
NET PROFITS

is wanted by an experienced developer of business—not a superman but a seven years' record of profits on consistent business growth. A good leader—gets along with people—uses money carefully and develops business along sound, proven lines by very hard and painstaking work. A splendid record and proven outstanding. If interested, write Box 317, The Financial Post, Toronto.

St. Lambert Bondholders To Be Paid Off in Cash

A plan of refinancing for St. Lambert, Que., providing for redemption of the city's entire funded debt has been approved by the bondholders' protective committee. The next step is to obtain ratification of at least two thirds of the bonds before April 22.

Under the terms of the plan, bonds with a coupon rate of less than five per cent are to be redeemed at par; five per cent bonds at 100½; 5½ per cent bonds at 101; six per cent bonds due up to and including 1938 at 101; six per cent bonds due in 1939 and thereafter at 102. Redemption is to take place on May 1 if the plan is approved.

Financing Canadian Industries

The Dominion Bank invites applications for credit to develop sound Canadian business. The funds entrusted to it belong in the main to Canadian depositors. The Bank therefore welcomes opportunities of extending credit to undertakings which employ Canadian labour and create new Canadian wealth. 440

THE DOMINION BANK
ESTABLISHED 1871

C. H. CARLISLE
President

DUDLEY DAWSON
General Manager

Capital Paid up - - - - - - $7,000,000
Reserve Fund and Undivided Profits $7,540,000

The Nation's Business

(Continued from page 1)

newsprint publishers have already displayed.

• • •

An Expensive Experiment

WHAT happens to taxpayers when governments fail to look ahead is revealed strikingly by legislation introduced in the Commons last week by Hon. T. A. Crerar to extend for two years the dollar for dollar bonus to soldier settlers. Until March 31, 1938, the government will credit as double, all payments of interest or principal made by soldier debtors. Under this plan, adopted in 1933, $2,430,000 has been paid; the treasury writing off a corresponding amount. That there will be subsequent renewals — that, in fact, Parliament has halved the debt of soldier settlers — cannot be doubted.

The debate was enlightening. Private members — Liberal, Conservative and C. C. F. — berated the government for its niggardly, ungenerous attitude to veterans. The legislation should run for five years; many of the settlers' farms should be revalued by writing down the debt; the government was not "meeting the case."

• • •

THE story of soldier settlement is a perfect example of the inefficiency and criminal wastefulness of governments in business. In 1919, with much enthusiasm and unbounded optimism, the Union government embarked on a scheme for placing 30,000 veterans on the land. The original cost was to be $3,600 per man or $108,000,000 and all of it was proclaimed certain of return with suitable interest, coverage for administration and a modest profit for the Crown.

The settlers were started away with a fat subsidy of $10,000,000 of interest payment exemptions for two years. The plan at once proceeded to ensnarl the government in a succession of losses and additional expenditures until today, seventeen years after the policy was launched, the net losses are approximately $95 millions and must continue forever to increase at a rate little short of $10 millions per year. Sooner or later, parliament will enact a law blotting out the soldier settler fiasco and transferring the huge loss entirely to the public debt — where it will go on impoverishing private enterprise whilst the political folly which brought it about is forgotten. No doubt there will be other and grander sink holes discovered for tax money in the future.

• • •

THE original $108,000,000 was subsequently boosted to $117,500,000. Arrears piled up; 1,000 soldiers abandoned their farms, leaving to the government a hopeless problem of settlement which, through sale and the British Family Scheme, has greatly added to the deficits. Up to date all that has been repaid is some $35 millions of principal and $17 millions of interest. One write down has followed another. The value now shown for the land is $45 millions and Mr. Crerar (a member of the government that made the original mistake) expressed in the Commons the pious hope that it would be collected. The cost may be placed at $10 millions for the original two year exemption for interest; $16 millions to maintain the small army of civil servants with head offices at Ottawa and branch offices at Saint John, Sherbrooke, Toronto, Winnipeg, Saskatoon, Calgary, Edmonton and Vancouver; $27 millions on interest account and $52 millions of principal.

• • •

THE best way out of the soldier settlement scheme would be for Parliament to cancel all outstanding indebtedness and take the loss, which would run to $140 millions. The annual interest on this sum would mean a burden of some $4,500,000 per annum in perpetuity. The government, however, will probably continue to throw good dollars after bad ones. The clerical staff will be maintained at a cost of $800,000 per year, and the taxpayer will lose to this extent.

Ignoring the deficits of the future, which Mr. Crerar is taking no chance of avoiding (his 1936 law will make a 50 per cent loss on interest and principal iron-clad) the losses to date are equivalent to $3,100 for every veteran placed on the land.

This is a record that governments should bear in mind when considering new and gaudily decorated lures. As a postscript to soldier settlement, they might remember the Dominion Farm Loan Board now beginning to take its place as a major parasite on the taxpayers, government wheat marketing, which has sucked $16 millions out of the treasury, and similar ventures.

Pamour's Ore 8 Year Supply

Annual Report Confirms Large Tonnage Reports

With proved ore on the 200-ft. level of 726,000 tons, and ore indicated by drilling from surface of 1,530,000 tons, Pamour Porcupine Mines, in its second annual report shows reserves indicated and proved, sufficient to supply a 500-ton mill for almost eight years.

The grade of the ore indicated by drilling over the area east of No. 2 shaft, a distance of 3,000 ft., indicated an average grade of 0.261 ounces in gold. The grade of the ore proved on the 200-ft. level, in three sections, averages 0.246 ounces.

The balance sheet as at Dec. 31, 1935, shows current assets of $25,562 of which $25,223 is in cash. Current liabilities amount to $80,706.

James Y. Murdoch, in reporting to shareholders states that it is hoped to have the 500-ton mill in operation by the end of May or early in June. The mill building itself is large enough for equipment capable of 1,000 tons, but the equipment now being installed is designed for 500 tons daily.

Borrow From Noranda

Since the beginning of the year the balance of options on treasury stock have been exercised and all the authorized capital of the company is now issued. Of the capital of 5 million shares, no par value, 1.5 million were issued for property, and 3.5 million sold for cash amounting to $1,312,500. In addition, Mr. Murdoch states, the company may require from $150,000 to $175,000 to bring the property into production and provide working capital until returns from production are received. Accordingly arrangements have been made with Noranda to borrow the amount required on Pamour's promissory note.

At the property, the old No. 2 shaft was operated continuously, and only closed down at the end of the year. The new 5 compartment shaft, started last fall, was completed to the 356.4-ft. depth. Stations were cut at the 200- and 300-ft. levels.

MARKET SHUNS WESTERN BONDS PRICES VANISH

(Continued from page 1)

cipal and/or interest and/or sinking fund of any securities to be issued hereafter by the province in respect of any borrowings by the province; and

"(c) As to any conditions or terms subject to which any such guarantee by Canada is given."

"Perpetual" But Redeemable

Refunding is to be carried out, the bill reveals, through issuance of Alberta government "perpetual" stock. The stock so created is not to be redeemable for 35 years after issue, and after that date shall be redeemable at par.

Bonds at present outstanding, with the exception of Alberta government stock, are to be exchangeable par for par for the new perpetual stock on a date to be set by order-in-council. Alberta government stock which is excluded from the refunding is payable in sterling.

Existing Statutes Waived

Terms of the bill provide that on any date that may be set for issuance of the new "perpetual" stock, holders of Alberta bonds must accept the new security in full satisfaction of rights and claims under securities held. The bill has priority over any provision of existing statutes.

Unless arrangements are made with the Dominion government for a guarantee, interest on the "perpetual" stock is to be a first charge upon all sums payable annually by the federal government to the province.

Wheat Handout Largely Spent

From Our Own Correspondent

REGINA.—About 50 per cent of the $6.5 millions to be paid prairies farmers from the federal treasury on 1930 wheat has already been assigned to creditors. At least this is Saskatchewan's experience, where $3 millions will be paid to something like 45,000 farmers.

Most farmers will receive an average, somewhat less than $70.

CANADIAN DISTILLERS TAKE INVENTORY LOSSES

(Continued from page 1)

other side of the international line is still a large one:

In Canadian Warehouses

Years ended March 31:	During Year Pf. gals.	Total Pf. gals.
1920	4,266,940	6,943,371
1925	8,646,683	11,691,495
1930	*19,269,025	39,851,290
1932	8,657,898	*42,477,858
1933	6,195,337	40,774,608
1934	8,093,226	40,065,271
1935	6,429,171	36,997,429
1936 est.	....	33,000,000

*Peak year.

Production in Canada has been dropping year by year in Canadian distilleries. The production now is only to maintain a supply of matured liquors for Canadian consumption. It is realized that in two years or three years at the most, United States distillers will have plenty of matured liquor and will move hard for the customs bars to go up again.

Unaccounted For

In these circumstances it may be interesting to note the following account by the Dominion Bureau of Statistics of how the production of the fiscal year ended March 31, 1935, was accounted for:

Year Ended March 31

	Pf. gals.
Entered for consumption	1,063,928
Exported in bond	2,215,332
Used in bonded factories	813,388
Otherwise accounted for	3,501,168
Total	7,659,816

Looking back over the reports of past years, one finds that the item "otherwise accounted for" is the chief item. It might be named, "otherwise unaccounted for" as there is no explanation of what the item covers.

Heavy Inventory Loss

The recent drop in prices in the United States and Canada has provided a heavy loss for Canadian distillers. One Montreal distillery had to write $1.7 million off the inventory value of floor stocks. All of them have had to take this balance sheet loss. One large exporter expects, however, that that write-off gives it a chance to export more rapidly than before. He is optimistic for the year as a whole.

There are, of course, the threats of U. S. treasury actions against companies whose products were sold in the United States during the dry era. Canadian companies claim they did not themselves export to the United States and that they did not sell to known bootleggers whatever may have happened to the product after it left Canada.

Regulations for bottling and labels which would have shut out Canadian bottles for a time have been delayed by reason of Dominion government regulations. Efforts to transfer bottling to the United States have also been resisted as it would reduce work for Canadian bottlers. A regulation to insist on bottling in U. S. bond would have had that effect.

Brewers & Distillers

Canada-United States agreement whereby duty on Canadian whisky imported into the United States was reduced from $15 to $7.50 a case has not resulted in material improvement to profits of Canadian distillers. R. Kerr Houlgate, president Brewers & Distillers of Vancouver, Ltd., says in the 1935 financial statement the immediate result was a readjustment of prices in the United States. Canadian prices reacted to this development and therefore increased sales are not apt to give the distillers much, if any, improvement in profits.

Shawinigan Profit Higher

First Quarter of 1936 Brings Increased Revenues

From Our Own Correspondent

MONTREAL.—Both gross and net income of Shawinigan Water and Power Co. for the first quarter of 1936 were on a larger scale than reported for the corresponding period of 1935.

Gross income for the last three months was around $3.3 millions, as against $3.1 millions for the same period a year ago. The increase in business is reflected in somewhat higher expenses, but net operating revenue at $1,791,537 was about $50,000 greater. Fixed charges recorded a small increase, leaving surplus before depreciation and income tax for the first quarter of 1936, of $781,033, as against $722,686 in 1935.

Comparative figures for the first quarter follow:

Quarter Ended March 31

	1935 $	1934 $
Gross revenue	3,290,846	3,118,975
Less: Expenses	720,021	653,114
Power purchased	449,424	399,911
Water rentals	101,462	97,230
Taxes and insurance	203,402	197,560
Exchange reserve	25,000	25,000
Net income	1,791,537	1,746,160
Fixed charges	1,010,504	1,023,474
Surp. before deprec. & income taxes	781,033	722,686

Quebec Power Income Turns

From Our Own Correspondent

MONTREAL.—Declining revenue owing to rate reductions apparently checked, Quebec Power's statement for the first quarter of 1936 shows gross revenue of $950,879. This was more than $32,000 greater than in the corresponding quarter of last year.

Due to a reduction in expenses, surplus before depreciation and income tax for the first three months of 1936 amounted to $263,108. This is in contrast to $217,173 for the initial quarter of 1935.

Comparative quarterly statements follow:

Quarter Ended March 31

	1935 $	1934 $
Gross revenue	950,879	918,452
Less: Exps., taxes	531,841	548,467
Prem. on exchange.	1,797	- 679
Fixed charges	152,133	152,133
Surp. before inc. tax & deprec.	265,108	217,173

Int. Bronze Buys New Processes

Net profit of International Bronze Powders and subsidiaries in 1935 was $351,217 after all charges including depreciation, compared with $305,893 in 1934. After payment of preferred and common dividends, $120,815 was added to surplus which now totals $337,136.

David A. Buckley, president, states in the annual report that the company in 1935 acquired the Hametag processes and patents for manufacture of aluminum and metal powders for industrial use. This is expected to open extensive new markets.

New Acquisitions

In acquiring the processes, International Bronze bought securities of Metallpulver A.G., Switzerland, and of English Metal Powers Co. Ltd. These acquisitions were made too late in 1935 to be reflected in the accounts. The management expects additional benefits will be reflected in the company's affairs in 1936.

The balance sheet shows working capital at $853,588 in 1935 compared with $779,461 in 1934. Other changes are of relatively minor character except for an increase in preferred stock to $2,075,000 from $1,875,000. The increase represents an additional 8,000 shares of $25 each.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	Apr...	....	....	July 15	$25,000,000	99.78	.879

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Brewing Corporation of Canada	Apr...	Privately	5½%	1946	$1,200,000	....	....
Braid, Tuck & Co.	Apr...	Pemberton & Son	6%	1945	75,000	97½	6.35%
Columbia Power Co.	Apr...	Pemberton & Son	6½%	1951	75,000	98½	6.65%
Stock Issues—							
Industrial Acceptance Corp.	Apr...	Greenshields & Co.	5%	Pref.	$500,000	....	....
Parkhurst Permanent Wave Shops	Apr...	....	....	Com.	$17,000	....	....

Sherritt Acts When Copper Prices Go Up

Former Producer to Start Work in May — No Production Yet

COSTS 8.7 CENTS

While stating there is no intention of resuming actual production, Sherritt-Gordon Mines, former Manitoba copper producer, will sink its main or central shaft a further 300 ft. to a depth of 1,100 ft., and will establish a new level at 1,000 ft., The Financial Post is officially informed. The work will start in May.

Also, during the summer, a tramway will be erected connecting the east shaft with the mill, which is in the central part of the property.

The work will be under the supervision of Eldon L. Brown, manager of God's Lake Mines, Manitoba gold producer.

Inactive Since 1932

Due to low copper prices, Sherritt-Gordon Mines has been inactive since 1932. Shut-down and administrative expenses have been only partially met from sales of copper inventory, and income from investments, with the result that a loss was recorded for the 1935 fiscal year of approximately $22,000.

The latest available figures on the cost of production, covering operations for the first six months of 1932, show net operating cost of refined copper at 6.2 cents per pound, and total cost per pound, including write-offs and reserves, at 8.7 cents per pound.

As at Dec. 31, 1932, ore reserves were estimated as follows:

Ore Reserves, Dec. 31, 1932

	Tons	Copper %	Zinc %	Gold & Silver $
East zone	866,175	2.14	5.78	0.70
West zone	3,023,000	2.86	...	0.60

In addition to the above, a central part of the western zone shows a low grade section estimated at 910,000 tons, grading 1.20 per cent copper and $0.55 in gold and silver.

Although the official reason for re-opening the property has not been announced, it comes after several weeks of bullish copper markets. It has been widely understood that if copper prices were stabilized around 10 cents per pound, officials would consider resuming production.

W. L. Knowles, President, City Dairy of Toronto

W. L. Knowles has been elected president of the City Dairy Ltd., of Toronto. He succeeds Col. C. M. Ruttan who becomes chairman of the board.

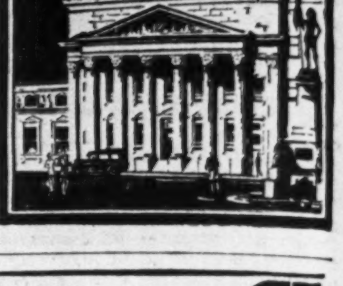
Mr. Knowles was formerly managing director of Windsor's Walkerside Dairy, which is associated with City Dairy of Toronto. While continuing as a director of the Walkerside, Mr. Knowles will shortly transfer to his new duties in Toronto.

Sir T. Chapais Joins Board Of Banque Can. Nationale

From Our Own Correspondent

MONTREAL. — Sir Thomas Chapais, senator and member of the Quebec Legislative Council, has been elected a director of the Banque Canadienne Nationale to succeed the late A. N. Drolet.

La Tuque, Que., has been authorized to borrow $300,000 to pay the cost of constructing a new water supply system.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EMPRESS of AUSTRALIA

20-DAY CRUISE $189 UP
5 connecting sailings—Round trip Atlantic fare on application.

● See the picturesque capitals of Northern Europe and charming Baltic resorts: Oslo, Danzig, Stockholm. *Spend 4 thrilling days in Russia.* Returning, you visit Helsingfors, Copenhagen, Germany (Travemunde), and then on to London.

ON BOARD—a round of fun—deck sports, social gaiety, swimming, talkies, parties; unexcelled accommodation, service and cuisine. On one of the largest and most luxurious liners ever to cruise the Baltic.

Your cruise ship, *Empress of Australia*, sails from Quebec June 19, (no extra charge for meals and berth while in Southampton). Or you may select other connecting Canadian Pacific ships for additional time in the British Isles. Return at your leisure.

Also, 11-day Cruise to Russia and Northern Capitals on Montclare from Southampton, June 2.

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EVERYBODY ELSE DOES
Biltmore Scores Again

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● Every year brings proof of BILTMORE leadership. This year BILTMORE again swings to the front with a new exclusive feature . . . the CARTER Detachable Leather Hat Band. Guaranteed sweat-proof, this revolutionary band eliminates the problem of perspiration stains forever . . . creates new comfort and easy-fitting qualities . . . adds months to the life of your BILTMORE.

At your regular Hat Store . . . see the new BILTMORE Hats for Spring . . . all tailored in the newest styles and shades . . . all finely representative of BILTMORE craftsmanship.

5 New FEATURES

1. **Guaranteed Sweat-Proof** . . . there are no stitching perforations through which perspiration can penetrate — it is guaranteed sweat-proof.
2. **Adds Longer Life to the Hat** . . . the elimination of perspiration stains prolongs the life of the hat.
3. **Retains Hat Style Longer** . . . the CARTER leather is buttoned in—not sewn in—thus providing a perfect fit without pulling the hat out of shape.
4. **Added Comfort** . . . nothing touches the head but the CARTER leather which conforms to the shape of the head thus providing greater comfort.
5. **Added Ventilation** . . . the freedom of leather from the hat brim gives added ventilation making the hat cool and airy during hot summer days.

Every new BILTMORE with a CARTER Sweat Band carries this guarantee.

● *We guarantee every BILTMORE Hat with the new CARTER Detachable Leather to be sweat-proof, to give proper wear and comfort, and will cheerfully rectify any justifiable complaint.*

BILTMORE HATS LTD. . . GUELPH, ONTARIO
CREATORS OF *Lord* BILTMORE, *Prince* BILTMORE AND *Royal* BILTMORE HATS

No Sign of Action on Uniform Company Law

Legislatures Should Make Annual Meetings and Financial Statements Obligatory

BY WELLINGTON JEFFERS

Provinces and Dominion have not got together to seek uniformity in their companies acts. It is understood securities commissioners or officials in the attorneys-general departments of the various provinces have been appointed and can be brought together whenever notice is given. Such notice has not yet been given and the great need of uniformity is therefore apt to go over another year with little being done.

Much advance can be and is being made by regulations issued by or on behalf of securities commissioners or registrars of the various provinces. Ontario has done much in this way. In fact members of the Hepburn government are of the opinion that the activities of the securities commissioner result in better and more complete information than do the prospectus clauses of the Dominion Companies Act.

Administration Most Important

Said one official to The Financial Post: "I am not so sure that our Ontario law is as defective as you say. But supposing it is, my experience teaches me that administration is the main thing. A good administration of a law defective in some particulars will do more for the good of the public than inefficient administration of a law which is ideally perfect if there can be such a law. I am sure our securities commissioner succeeds in getting security issuers, brokers or investment dealers to give more information about an issue they are selling than the Dominion Companies Act secures in most instances."

The main defect one sees in the Ontario Companies Act relates to the annual reports. The information required falls short of that required by the Dominion Act. There is no requirement to show what debts owing from customers are current and what are over a year old, for instance. Inventory can be shown in a total and not required to show what is raw material, goods in process and finished products. "If the by-laws of the company so provide" it is not even necessary to send the report to shareholders unless they apply for it. That defect cannot be remedied too soon.

Distributable Surplus

Directors are allowed to decide what "part" of consideration for an issue of no par value shares may be set aside for a distributable surplus. The Dominion Act limits this "part" to 25 per cent as a measure of protection for creditors. Ontario Companies Act could be amended in this particular with great benefit.

No adequate provision is made in the Ontario law for full details of history of two companies which directors decide to merge so that shareholders can decide with their eyes open. Shareholders should be given the whole picture.

The Companies Information Act does make it incumbent on directors and officials to give not only the information required at present, but "such other information as may be required by order-in-council." Thus the Ontario government, and some other provincial governments, could make effective the prospectus clauses of the Dominion Companies Act at once if they liked. The Ontario provincial secretary by another clause may require any company to make a return upon any subject connected with its affairs. But every company should be required by law to give adequate information annually in advance of the annual meeting.

The public is getting a higher measure of protection at present in Ontario than ever in its history by means of audits of brokers, security issuers and investment dealers. The statements required from these annually are exhaustive. There is, however, too much of a tendency of all provincial legislation to provide the most important part of the protection of the public by means of regulations which do not appear in the body of the law.

In connection with the Securities Act there are good and valid reasons why an important part of the law should be in the form of regulations. The proper measures to be taken with regard to securities is by no means established at all points by experience. It is arguable that it is a good thing for each new law to have a preliminary canter as a regulation where it can be tested out and easily changed to meet changing circumstances. It can be abandoned easily if it is found ineffective and strengthened if experience shows it is effective and can be made more so.

But there is no reason why the Companies Act itself should not be very definite and clear in its requirements as to annual meetings and the type of financial information to be provided in the annual financial statement. Why, for instance, should the Ontario Companies Act lay down that a financial report containing a balance sheet and an abstract of income and expenditure be sent to every shareholder a week before the annual meeting when it follows those provisions of the law with the following clause:

> 47 (4) If the by-laws of the company so provide it shall not be necessary to send the report mentioned in subsection 2 to the shareholders."

The next clause says a copy shall be furnished to any shareholder "on written application." But why should he not have it as a right? Most companies recognize that right but many can evade it. Some companies even avoid the provision for holding annual meetings. The Toronto Stock Exchange has had to withdraw listing privileges formerly extended to stocks of some companies which failed to live up to the provisions for annual meetings and adequate statements.

Disclosure Wanted

In these particulars there is no reason why Ontario and other provincial legislatures should not amend their laws at once. It is not necessary to wait until absolute uniformity can be secured. No action has yet been taken along that direction and probably none will be in time for legislative acts to follow in 1936. In the meantime it is provincial responsibility. One of the most important services legislatures can render to make the company law effective is to insist on adequate disclosure and thus prevent abuses which have had more to do with present social and economic unrest than most legislators and financial men are willing to acknowledge.

Ontario's Companies Act is mentioned here because it is the second most important body of laws regarding companies in Canada. Quebec's Act requires more amendment than Ontario's to bring it up to the level of what is today regarded as enlightened legislation regarding companies and their securities. Other provinces are tightening up, just as Ontario has done, in their requirements of brokers, investment dealers and security issuers. But there is a lot for them all to do yet on their Companies Acts.

Believes One Act Enough

C. A. Ashley, assistant professor of accounting in the University of Toronto, recently expressed the opinion in the Commerce Journal that "it is unnecessary for there to be ten Companies Acts in Canada." He could not see sufficient variation in conditions in Canada to warrant more than one such act.

The only barriers to the handing of the whole jurisdiction over companies to the Dominion, he said, were:

1st, the pride of the provinces.

2nd, the fees received by the provinces.

3rd a reasonable doubt (in view of 1930), whether the Dominion can be trusted to pass and maintain a reasonably satisfactory act.

These are not insuperable obstacles and immense benefits would accrue to lawyers, accountants, and businessmen from having one jurisdiction. It would save much administration expense. The passing of ten identical acts is a second best procedure in his opinion. One act, he feels, would give Canada a rational and secure basis for future development.

Pacona Acquires Price Bros. Bonds

From Our Own Correspondent

MONTREAL.—Price Bros. and Co.'s bondholders protective committee has entered into an agreement with Pacona Ltd. for the sale of all bonds on deposits, amounting to $8.3 millions, at par and accrued interest, plus an additional amount sufficient to cover the expenses and compensation of the committee. Pacona Ltd. is acting for Aluminium Ltd. and Lehman Bros., of New York.

It is further announced arrangements have been made whereby holders of undeposited bonds may sell their bonds on the same basis provided for depositors. This offer is good until April 20.

It is not expected the change in ownership of the majority of Price Bros. and Co.'s bonds will affect the reorganization plan which is to be voted upon by the unsecured creditors and shareholders later this month.

Ont. Hydro Will Reduce Power Rate

Accumulating Surplus Following New Quebec Contracts

MAY CONVERT BONDS

Reduction of power rates, by $2 per horsepower to Ontario hydro consumers in the Niagara system has been announced by T. S. Lyons, chairman. Previous to the new contracts with Quebec companies the opposite trend was indicated, according to the annual statement of the Ontario Hydro-Electric Power Commission for the year ended Oct. 1, 1935.

Payments for power by the Commission for the Niagara system multiplied five times from 1929 to 1935, while actual peak load for primary power fell.

For four years the Commission has therefore been obliged to appropriate amounts running from $2.5 to $4.2 millions annually from the contingencies reserve to make up the operating deficit. Another year, it is stated, would exhaust this reserve if the Quebec power contracts had been retained on the old basis. Then higher rates would have been charged for power.

Deficit Halted

The deficit of $2.9 millions for 1935 will not recur in 1936, it is understood. The savings so far in the present fiscal year, that is, in the four months ended Feb. 29, 1936, under the new basis are stated to be $1.4 millions. If the same rate is maintained for the whole year, it would be $4.2 millions and permit some reduction in rates charged municipalities and companies. Savings are really expected to be greater than this for the whole year.

In future the Commission will finance by its own bonds guaranteed by the province. The result will be that revenue-producing assets of $185 millions, representing advances by the province for Commission purposes, will be separated from other liabilities. The commission expects to convert $60 millions of $76 millions bonds issued to finance Queenston Chippewa plant at lower rates. Present rate is largely 6 per cent.

The accounts are presented in a new shape this year. Accounts of the Northern Ontario properties are shown separately as these are not owned by Hydro but only operated by it for the province.

Revenue Statement

(Millions of Dollars)	Niagara	All Systems	Cost basis undertk'gs
Oper. rev.	23.4	31.9	29.3
Oper. exps. ...	15.5	20.7	19.2
Net oper. inc..	7.9	11.2	10.1
Non-oper. inc.	1.9	2.5	2.6
Gross	9.7	13.7	12.7
Net	.2	.7	.8
S.f. approp. ...	3.1	4.0	3.7
Deficiency	2.9	3.3	2.9

Niagara System Loads and Payments

	20-min. peak h.p.		Paymts. for Pwr.	
	1929	1935	1929	1935
Primary, Oct. ..	931,261	875,067		
Do., Dec. .	969,123	932,708		
Total, Dec.* .	969,123	1,080,697		
Pwr. bought			$1.6 mil.	$8.2 mil.

* Both primary and secondary.

Railways Oppose Trucking License

See Danger in Proposed New York-Montreal Service

From Our Own Correspondent

MONTREAL.—Application to the Quebec Public Service Commission by the Montreal and New York Transport Co. and the Reo Express Co. for permits for automobile trucking between Montreal and New York is strongly opposed by the Canadian National and Canadian Pacific Railways.

With the New York Central Railroad, Delaware and Hudson, Rutland Railroad, and the Express Traffic Association of Canada, the Canadian railways oppose the granting of the permits,

Fear Highway Competition

In a brief submitted to the Commission by the railways, it was stated: "The railways have shown that they give efficient service, at reasonable rates, but that their very existence is imperilled by the extraordinary growth of their highway competitors.

"Many miles of railway have already been abandoned in this country, where railway transportation is so essential; if more mileage is not to be abandoned, the railways will require the fullest co-operation from this commission. The responsibility of avoiding further demoralization of the transportation life within this province truly lies with this commission."

New Folding Boat Makes Appearance

A new folding boat, resembling a cross between a singles racing scull and an Eskimo kyak and known as the Folbot, is being introduced to Canada this season by its British makers.

The boats weigh as little as 30 pounds. They can be assembled in a few minutes and, when not in use, are easily carried in two compact bags. With its draft of three inches, the Folbot enables paddlers to navigate in waters too shallow for any other type of craft, yet it is so designed and constructed that it has weathered English Channel crossings in high gales and has long sea voyages to its credit.

Owen Jones, newly arrived Canadian representative, thinks this type of craft will be very popular for week-end and longer trips away from congested highways and expensive travel. Since its recent introduction in Europe, 600,000 enthusiastic waterhikers are enjoying this new, inexpensive mode of recreation and travel.

Canadian headquarters of the Folbot Folding Boats Limited have been established at 1253 McGill College Ave., Montreal.

Butter From B. C.

A good start has been made in British Columbia this year in creamery butter production with 1,154,603 pounds turned out in January and February, compared with 704,593 pounds in the same two months of last year—an increase of 63.9 per cent.

Vancouver Police Warring On Crooked Share Pushers

Vancouver's city police have declared war on crooked stock promoters.

Opening gun in the campaign is a general warning issued by Col. W. W. Foster, chief of police, and it is a danger signal which neither crooks nor unwary speculators are likely to ignore. It is a striking A, B, C, of speculators' pitfalls.

Police Chief Foster's ammunition for the opening skirmish is a mimeographed circular being broadcast to all concerned. "This department," it observes, "notes the large number of persons defrauded through undesirable financial ventures, and that in the majority of cases brought to its notice, the fault is largely that of the investor, who fails to take even the most elementary precautions."

Not content to await the damage after it has been done, Vancouver's police urge the usual preventive measures of "investigation before investment."

Pointed Questions

Then, beating the high pressure promoter at his own game, the police circular fires a series of pointed questions.

Samples:

"Ask yourself, 'Are you being offered a job because of your ability . . . or is your money the main attraction?' . . . Your money has not only to earn the agent's commission, but interest, and your own wages.

"You may be an expert mechanic. What do you know of finance?

"Ask questions. Demand definite answers in writing."

Stripped of technical and involved phraseology, police of Vancouver again hit the nail on the head with this:

"An honest promoter never fears investigation. Therefore ask him:

"What debts have you? . . . What do you own, actually paid for in full? . . . To what use will my money be put, who will handle it? . . . What record have you of past transactions? . . . What was your occupation for the last two years?"

Get a Witness

The Vancouver chief cannily advises, "Take a friend with you to every interview, as a witness," and he adds the advice to get definite answers to every question in writing, to be later checked.

Because a company is incorporated, or as a promoter says, "has a charter," does not mean that it is a safe investment, Col. Foster adds. "Forget all talk about the future, and consider facts as to present or past."

With a final sting, the circular concludes, "Remember how long it took you to save the money and think what your position would be if you lost it."

Vancouver is not likely to include accountancy, bookkeeping or a study of long term market trends, as part of its police training, but the preventive effort is among the first to be carried out on a large scale by any police organization in Canada.

Health Insurance Overrides Critics

B. C. Plan Approved Despite Bitter Objections—Many Weaknesses Seen

From Our Own Correspondent

VANCOUVER. — British Columbia's legislature has approved compulsory health insurance.

The province is said to be the first section in North America to place health insurance on the statutes, although several European countries have adopted it. The measure was strenuously opposed throughout the recent session of the house, but the Pattullo government was committed to it, and Hon. George M. Weir, minister or health, would not let his fellow ministers ignore it.

There was conflict in the cabinet and in the party caucus, but eventually it was adopted, notwithstanding objections from business interests, insurance experts and medical men. The chief arguments against the bill were that it was financially and actuarially unsound, and that it would impose an additional burden on industry and labor.

Is Wide Measure

The plan will apply to about 275,000 persons, according to Dr. Weir—all those who receive up to $1,800 a year. These will be required to pay a tax of two per cent of their salaries or incomes, and their employers will contribute another one per cent.

The legislation is designed to provide medical care, hospitalization and other benefits.

Although the house voted down an appropriation of $50,000 for administration costs, Dr. Weir said this was meaningless, as the funds were already available.

The only matter in doubt now is when the act will be proclaimed. It was stated in the house that the bill would become effective January 1, 1937.

Want Franchise For Natural Gas

Would Spend $6 Millions if Regina and Moose Jaw Consent

Prairie Gas Utilities Syndicate, of Regina, is seeking a natural gas franchise from the city councils of Regina and Moose Jaw, George C. Rooke, president, announced to a shareholders' meeting recently.

The plan is to utilize the Bowdoin gas field in Montana and with this to supply Regina, Moose Jaw and points between those cities and the international border. The plan is estimated as likely to cost $6 millions, and five-sixths of it would be spent in Saskatchewan.

The distribution system would be in Regina and would cost more than $1 million for construction.

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Investment Trends

Plentiful Money Support of Prices

Technical Position of Averages Leaves Some Doubt of Current Levels But Expansion of Credit Suggests Further Eventual Advance

A striking feature of investment markets is that new securities are not being created in any volume and that investment funds remain substantial. This accounts for relative firmness of seasoned bonds and stocks.

Western provincial bonds have lost their market almost completely, as shown by fantastic yields, due to Alberta's default. Even under present investment conditions, prices can melt away if nervous capital takes a preference to liquidity above all.

Easter business was disappointing largely because of unsettled weather. Seasonal spring business activity is anticipated with high hopes and is likely to be an important market barometer.

French general elections to take place May 3 promise little in the way of tranquillity.

The Dominion budget is unlikely to make optimistic reading.

United States political influences, including the thoroughly unsound scheme to tax undistributed corporate surpluses, may become more unsettling. Primary elections are under way and national conventions come in June.

Market Movements

IT REQUIRES only elementary study of stock market averages to reveal a most intimate relationship between price fluctuations in Canada and those in New York. For this reason, the investor must pay close attention to Wall Street to appraise Canadian market possibilities.

The Dow theory remains one of the favorite methods of appraising the prospects for share prices in New York. By this analysis, a signal for a further rise of prices was given when the Dow-Jones industrial average rose to 160. However, this would only be confirmed by a rise of rail shares above 52.26. Hence, attention is concentrated on sluggishness of the rails.

Whether there is an addition to the short-term rise, however, is less important to the investor than the longer-term situation. Since March, 1935, New York industrials have risen from 97 to 160, rails from 27 to about 50. In theory at least, there should be a cancellation of three-eighths of the advance at some stage prior to resumption of the rising trend. For this reason, the investor in stocks at present levels should select securities that he would be willing to hold through a considerable decline of prices, pending a resumption of what still appears to be an upward long-term trend of stock prices.

* * *

Types of Inflation

IN DISCUSSING inflation recently, Dr. J. H. Rogers of Yale University outlined the U. S. situation thus:

> "It was budget difficulties that produced the post-war inflations in Europe. If we have inflation, it will be because our budget gets out of control. I think the problem can be reduced to those terms."

Dr. Melchior Palyi of the University of Chicago, who saw the German post-war collapse at first hand, would define inflation as a rise of 50 per cent in prices. Of the U. S. situation, he comments:

> "It is comparatively easy to stop an inflation in its early stage, but the further the boom has developed and the more upward commitments to an upswing have been made, the more political resistance is provoked by any attempt to stop it. As a matter of fact it looks as if it were too late already."

It remained for Professor A. H. Hansen of the University of Minnesota to point out that there are counter-inflationary factors in the idle labor and unused productive capacity of a country like the United States. The significance of this is that a scarcity of goods seems unlikely to develop on this continent. Hence the inflationary influence of expanded credit may not necessarily be a substantial rise in the cost of living. Even if business recovery is inflationary, it would be possible for costs of production of some manufactured articles to remain stable or at least for retail prices to rise only slightly.

The inflation possibility that seems to be understressed by these economists is in real estate and in stock markets. Expansion of credit in the 1920's was largely in securities. This time it may be in both security markets and in real estate, fostered by low interest rates. Meanwhile the bondholder may not suffer the loss of buying power that some analysts have predicted, but rather may be in a position of advantage for the next depression. This long-range consideration is what the conservative investor must weigh against the lure of what may look like easy money in equities.

* * *

The Franc

THE current strain on the French currency, marked by weakness in quotations, is one of the most severe since Britain suspended the gold standard in 1931. Devaluation of the franc would seem likely to pave the way for rapid economic recovery in France, as it did in Belgium. Temporarily, however, a toppling of the franc might cause weakness in security markets, since French investors could take their profits home by liquidating their holdings abroad.

If the franc is again defended successfully, France will continue to depend for its recovery partly upon relief of its internal deflation by rising prices in other countries. Meanwhile the franc would continue subject to the strains of deflation and of unbalanced budgets.

* * *

Professional Policies

HOLDINGS of investment trusts give a clue to professional investment opinion. Analysis of common stocks most popular with larger U. S. investment companies shows that three-quarters of the holdings are in industrial shares. Holdings of public utility shares were increased nearly 80 per cent in 1935, but comprise only about one-sixth of the larger common share investments. Bank shares were decreased and holdings in railways increased only slightly. Evidently public utilities are returning to favor, but industrial shares still head the list in popularity.

* * *

Common stock prices advanced to 125.5 in the week ended April 9. The Dominion Bureau index was 123.1 in the preceding week. Since the Easter holidays, recession has occurred and will be reflected in the index for the week ending April 16.

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Brandram-Henderson To Reorganize Capital

Plan Relieves Company of Fixed Charges for 10 Years

From Our Own Correspondent

MONTREAL.—Brandram-Henderson Ltd. announce a capital reorganization plan, which will liquidate the first mortgage bonds, and place the consolidated mortgage bonds on a part income basis, and do away with the accumulated bond interest and arrears on dividends on the preferred stock. Through this plan the company will be relieved of heavy fixed charges over the course of the next ten years, during which time it is hoped the company will be able to re-establish itself.

The first mortgage bond issue, maturing October 1 next, will be met in full from funds realized from the sale of the linseed subsidiary company.

The existing consolidated mortgage bonds, maturing 1939, and amounting to $825,000, exclusive of interest arrears, will be replaced with a new issue of an equal amount to mature June 1, 1956, and bearing non-cumulative interest payable only out of income up to the rate of 6 per cent per annum until June 1, 1941; cumulative interest, but payable only out of income for the next five years and thereafter at a fixed rate of 6 per cent.

The outstanding 5,000 shares of preferred together with a cumulative dividend and 11,799 shares of common stock are to be replaced by an authorized issue of 50,000 shares of no par value stock of which 49,175 will be issued.

Distribution of the new common stock will be on the following basis: 12,375 shares will be allotted to holders of existing consolidated mortgage bonds at the rate of 15 shares per $1,000 of bonds.

Present preferred shareholders will receive five new shares for each existing share of old stock, while existing common will be exchanged into new stock on a share for share basis.

In addition to the re-arrangement of the capital structure, it is proposed to readjust the company's balance sheet by eliminating entirely patent rights, formulae and goodwill carried at $1,030,995; applying the capital surplus amounting to $426,914, which arose from a revaluation of the fixed assets in 1920, to writing down the fixed assets; and entirely writing off the cumulative deficit amounting to $452,929. The result will be that the capital represented by the no par value shares will stand on the books at about $316,000.

Investment Notes

Toronto Elevators — Investment dealers think the company will eventually redeem the seven per cent preferred stock at 110. Even though the shares are convertible three for one into common, there is a risk of loss in buying much above the call price. There is no official basis for redemption talk, however.

* * *

Noranda—In March, Massachusetts Investors Trust added 5,000 shares to its portfolio.

* * *

Famous Players—The company's new "Eglinton" theatre in Toronto, the last thing in up-to-date equipment, has been jammed every night since opening. Movie attendance elsewhere has been good.

* * *

Abitibi P. & P.—As yet no offer to buy the assets in bulk has been made, contrary to rumors of a purchase proposal. A reorganization plan has no been arrived at, but is expected to develop eventually.

* * *

Can. International Paper — Holdings of Class "A" preferred and common shares of Newsprint Bond and Share Co. were transferred during the past year to International Paper and Power Co. Newsprint Bond and Share holds control of Bathurst Power and Paper Co. Several years ago a majority of the stock was purchased by a group of manufacturers, including International, Consolidated Paper, Price Bros. and Co., Abitibi and Brompton.

* * *

McColl-Frontenac — The financial statement for the year ended February 29 last will be mailed to shareholders this week. The report is expected to show a moderate increase in net income, which in the 1935 fiscal year amounted to $637,166, or $1.15 a share on the common stock.

* * *

C. P. R.—After outlining features of the Canadian Pacific Railway's financial statement for 1935, The Economist, London, concludes: "In short, the 27,707 British investors who hold 97.9 per cent of the preference stock will find only remote encouragement in the present report."

* * *

Shawinigan—International Hydro-Electric System's investment in companies other than wholly-owned subsidiaries include 6,545 common shares of Shawinigan Water and Power Co. These shares cost the system $360,000 or $55 a share. This compares with the current market valuation of around $22.

* * *

Associated Breweries — All the U. S. breweries in which Associated Breweries of Canada has invested are now on a dividend-paying basis, according to Emil G. Sick, president of the company. In reviewing prospects, Mr. Sick points out that in Alberta the system of distribution will be somewhat changed during 1936 and it remains to be seen what effect this will have on the company's business. With a view to improving the company's competitive position in Saskatchewan, the Red Wing Brewing Co. plant at Prince Albert was acquired January 2 last and dismantled.

* * *

Bathurst — Last year Bathurst Power and Paper recorded an increase of nearly 50 per cent in sales of kraft liner board. Demand for this product continues strong and an increase of $5 a ton will likely prevail for the balance of the year. In addition Bathurst directors have approved plans to recondition an idle cylinder machine for the manufacture of folding boxboard. This machine will be brought into operation by about the middle of the year.

* * *

B. A. Oil—"Don't be too Scotch," called out a shareholder at the recent annual meeting of British American Oil Co., when the president, A. L. Ellsworth, asked shareholders if they did not consider it the best policy to turn back a good part of the U. S. profits into operations to ensure a long-term supply of crude oil to the company.

"How would you like your dividends?" countered Mr. Ellsworth. 'An increase now or wait until we know exactly what 1936 will bring forth?"

This brought a confusion of cries among which could be discerned these: "The sooner the better;" "right away;" "play safe;" and "use your own judgment." It soon turned out that directors had used their own judgment and decided to play safe. The majority approved this sound procedure and the stock market has not registered any disappointment.

* * *

Donnacona Paper Co.—Bondholders are meeting this week to consider the plan of reorganization as previously outlined in The Financial Post. As there has been no indicated opposition, it is anticipated that the plan will meet with approval.

* * *

Fraser Cos.—Last week The Financial Post pointed out that under the reorganization plan for Fraser Companies, equity back of the common stock dropped from $35.50 to $23.50 a share. This calculation covered the consolidated return of Fraser Companies and Fraser Paper. An executive of the company points out consideration should have been given to Restigouche Co., a subsidiary of Fraser in which event the equity behind the stock of Fraser Companies dropped from $19.92 to $16.28 a share. The percentage decline in stock equity on the basis of the two companies is 33.60 and for the three companies 18.25 per cent.

* * *

Ford of Canada—The annual report shows the company could pay another dividend from 1935 earnings. This leads to expectations that a payment will be considered soon, as the custom has been to disburse dividends in May or June.

* * *

National Grocers—Reports of a recapitalization account for greater firmness of the preferred than of the common shares. If ever the proposals materialize into definite action, a common dividend would be in prospect.

* * *

Canadian Oil — Attractions are lent to the 6.4 per cent yield on the non-callable eight per cent preferred by improved earnings shown in the report for 1935.

* * *

Dominion Engineering Works—Looks more promising at the moment than it has for some time past. It is anticipated a portion of the new work in connection with the Ontario Paper Company's development at Comeau will go to the company. This will probably take the form of the construction of the new newsprint machine, which will keep the plant in operation for some time. Also it is reported that the company is about to receive a contract amounting to $1.5 million from the Algoma Steel Corp. The value of these two contracts, if they materialize, would be in the neighborhood of $3 millions.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total indus.-trials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	272.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
Weekly Figures, 1936:										
Mar. 5	141.3	19.9	85.7	247.9	75.4	158.5	149.1	202.2	58.0	127.0
Mar. 12	138.0	19.6	89.6	237.9	73.7	154.8	141.6	195.2	55.7	122.5
Mar. 19	133.3	17.7	92.5	234.7	71.9	151.6	134.5	192.8	54.2	120.6
Mar. 26	135.8	18.5	91.7	242.9	71.3	151.2	139.2	197.4	54.5	123.0
Apr. 2	134.6	18.6	91.2	242.5	71.0	150.1	139.4	197.9	54.3	123.1

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc Mines
April 14	135.12	130.31	137.44
April 13		Holiday	
April 11		Holiday	
April 10		Holiday	
April 9	137.87	128.84	133.55
April 8	137.98	128.31	136.09
Month ago	134.97	124.70	137.20
Year ago	104.76	113.09	99.09
High, 1936	143.48	135.81	144.33
Low, 1936	127.74	113.97	125.39

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
April 14	70.4	75.5	73.8
April 13		Holiday	
April 11	71.6	76.0	74.5
April 10		Holiday	
April 9	71.8	75.8	74.5
April 8	71.5	76.2	74.6
Month ago	71.7	75.4	74.2
Year ago	57.7	59.0	58.5
High, 1936	73.4	78.4	76.6
Low, 1936	68.0	70.3	69.6

Ford (Canada) 1935 Sales Up; 1936 Hopeful

Loss in Canada Is Made Up on Foreign Operations

INVESTMENTS AID

Ford Motor Co. of Canada in 1935 sold 79,844 automotive units, including 30,927 units sold to subsidiaries, a gain of 30,927 units over 1934, and the third highest total in its history. Total volume of sales and miscellaneous income, exclusive of investment income, was $46.6 millions. Yet the company showed an operating loss of $403,719 in Canada as compared with an operating profit of $3,288 in 1934. It was only able to show net operating profits of $1.9 millions as compared with a little less in 1934 by the following non-operating gains:

	1935 $
Decrease in depreciation	770,000
Subsidiary divs. incr.	300,000
Incr. profits from sale of invests.	150,000
	1,220,000
Decr. bond interest	87,000
	1,133,000
Decr. income taxes	135,000
Total non-operating gain	1,268,000

As the company has total depreciation allowance of $21.2 millions against fixed assets which cost $26.7 millions, the low depreciation allowance in 1935 is very sound and will be regarded complacently by shareholders who were hoping to get at some time considerable advantage from heavy write-offs made in previous years.

Better Year Hoped For

W. R. Campbell, president, has already stated that in 1936 the company expects a better automotive market in Canada than in 1935. The company expects to maintain the same level in export business. Sales in South Africa made an all-time record and increases were made elsewhere in Africa, Australia, New Zealand, Malaya and India.

Both in Canada and elsewhere the company is expanding plants to meet expected increases in demand. In 1935 plant accounts increased by $1.1 millions—cost of building and equipping a new foundry and getting new machinery. A note to the balance sheet states that a contingent liability for the additional plant under construction was $691,330. In New Zealand the company is establishing a new affiliated company which will partly manufacture vehicles from parts obtained from the Windsor plant. Shipments of new models moved out in volume to subsidiary companies in the last two months of 1935.

Actual earnings on 1,658,960 A and B no par value shares in 1935 were equal to $1.17 a share and $1.13 a share in 1934. In 1934 dividends paid amounted to $1.25 a share and in 1935 to 50 cents a share. Hopes for dividends this spring depend in a measure on what the report of the tariff board is as to the duties which should apply against foreign imports.

For further figures as to 1935 income see page 15.

International Pete Output Up in 1935

The following picture of results of South American operations of International Petroleum in 1935 as compared with 1934 is abstracted from the annual report of Imperial Oil:

	Colombia	Peru	Total
	(In barrels)		
Crude, 1935	17,597,654	14,756,914	32,354,568
Do., 1934	17,340,724	14,130,102	31,470,826
Daily av., '35	48,213	40,430	
Do., '34	47,509	38,713	
Natural gas gasoline '35	546,508	1,036,221	
Do., '34	542,029	1,050,763	
Crude oil processed*			7,536,248
All products exported			29,201,284
Transported '35‡			29,012,696
Transported '34‡			28,644,878

*Refineries at Barranca-Bermeja, Colombia, and Talara, Peru, refined this total for local and South American trade mainly.

‡Imperial Oil and International Petroleum fleets of 25 vessels carried these. Total is up 1.28 per cent.

St. Lawrence Corp. Plans Write-down of Investment

From Our Own Correspondent

MONTREAL.—St. Lawrence Corp. contemplates a plan for the reduction of book value of assets for Lake St. John Power and Paper Co., similar to that recently carried out for St. Lawrence Paper Mills, according to a statement made by Arthur F. White, at the annual meeting of the company's shareholders. In the case of the latter, the deficit account was wiped out through a reduction in the book value of capital stock.

Shareholders elected N. A. Timmins Jr. to the board to succeed his father, the late Noah A. Timmins, and D. H. Taylor, of Montreal, to fill a vacancy created by the resignation of Hon. Gordon W. Scott.

At a subsequent meeting of the board, A. F. White, vice-president, was elected chairman of the board in succession to the late N. A. Timmins, and J. I Rankin was elected vice-president. A. K. Cameron was re-elected president.

Brewing Corp. Takes Over East. Can. Brewing Shares

On and after April 18 shareholders of Eastern Canada Brewing Corp. are asked to exchange their shares for Brewing Corp. of Canada shares on a basis of one share of the parent company for each 250 shares now held. Warrants for fractions will be issued, enabling holders to make up full shares to June 19 next.

The compromise between the company and its shareholders was approved by shareholders and by the Supreme Court of Ontario and confirmed by letters patent.

FINISH CAR ORDER

From Our Own Correspondent

TRENTON, N.S.—The last car of the 250 refrigerator cars made at the Eastern Car Company's plant here has been completed. The plant is now idle, but 1,300 men received six weeks work while the order was being filled.

Maritime Radio Sales

Sales of radio receiving sets in the Maritimes last year numbered 12,903, according to a federal report. This is an increase of 337 over the previous year.

No License Sought By Beauharnois

From Our Own Correspondent

MONTREAL.—No request has been received by the federal government from Beauharnois Light Heat and Power Co. for authorization to export to the United States part or all of the electric energy developed at Beauharnois, according to Hon. Mr. Euler.

For several weeks past it has been rumored Beauharnois was seeking authority from the Dominion and Quebec governments for permission to export power to northern New York State. The claim has been made that the company could market in that area a large part of the power made available through cancellation of the Ontario Hydro contract.

Catelli Plans Clean Slate

Scheme Proposed to Wipe Out Arrears on Preferred

From Our Own Correspondent

MONTREAL. — Shareholders of Catelli Macaroni Products Corp. will meet in Montreal April 27 to consider a plan covering reorganization of the capital structure and change of the name to Catelli Food Products Ltd.

At present Catelli has outstanding 40,000 shares of Class A preferred stock, par value $30 each, on which dividend arrears amount to $11 a share. In addition there are 30,000 shares of Class B common stock no par value.

The plan provides for cancellation of 20,000 of the present Class A preferred shares, which have been redeemed by the company, and for the cancellation of 79,000 authorized but unissued Class B common shares. This leaves 40,000 Class A and 46,000 Class B shares.

In consideration of the preferred dividend arrears and capital reduction, the company proposes to distribute for each share held one new preferred share of the par value of $15 and carrying a five per cent cumulative dividend as from December 1, 1935, together with a return of capital of $2.50 a share and one share of new common stock.

Holders of the Class B stock will receive one new share for each five held.

The new capital set-up will then comprise 40,000 shares of preferred stock, with a par value of $600,000, on which the annual dividend requirements will amount to $30,000, and 46,000 shares of no par value common stock, of which 40,000 shares goes to the present Class A preferred shareholders and 6,000 shares to holders of the Class B stock.

Cut Down Values

The total capital of the company is to be reduced by $290,000; by the return of $100,000 capital in the form of the cash distribution to the preferred shares, by setting aside $90,001 as distributable surplus, and by cancellation of $99,999 of share capital which is not now considered to be represented by available assets according to the company's books. This will automatically reduce the company's goodwill account from $100,000 to $1.

I. H. E. S. Faces New Financing

From Our Own Correspondent

MONTREAL. — International Hydro-Electric System may default interest payments on its debentures this year, judged by the remarks of Erwin L. Moore, president, in the annual report of the system. While there is no definite pronouncement, it is pointed out that cash income for 1936 will be less than cash outgo, while the liquid position is such as to make doubtful the wisdom of continued payments.

During the current year the only income expected by International Hydro-Electric System is the interest on indebtedness from International Hydro-Electric Corp. and System Properties Inc., which in 1935 amounted to $408,000. This is about $1,350,000 less than will be required by the system to pay its cash expenses and interest on its debentures.

At the end of last year the System held in its treasury $3.2 millions in cash, of which about $800,000 has since been used to meet the April 1 interest payment on the 6 per cent debenture.

As far as can be determined at this time, the System will have in 1936 about $250,000 available to meet debenture interest, which, in 1935, amounted to $1.6 million.

At the end of 1935, International Hydro had outstanding $30 millions of its 6 per cent convertible debentures, due 1944, of which $3.4 millions were held by associated companies and $26,568,000 by the public.

The Shawinigan Water and Power Company

The Shawinigan Water and Power Company produces and distributes hydro-electric power within the Province of Quebec. Incorporated in 1898, it has had a long and successful record of operations.

Average net earnings before depreciation for the last seven fiscal years have been 2.16 times average total fixed charges.

The 4% First Mortgage and Collateral Trust Bonds of the Company, due April 1st, 1961, are available in denominations of $1,000 and $500. These Bonds combine suitable interest return with the security of a sound public utility enterprise.

Price: 99.50 and interest, yielding over 4.02%

Descriptive circular gladly forwarded upon request.

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Southern Canada Power Customers Own Preferred

From Our Own Correspondent

MONTREAL. — Southern Canada Power Co. preferred shareholders number 6,938 of whom about 5,275 are customers resident in the area served.

Following is the geographical distribution of the holders of the company's preferred stock:

	Number of Shareholders
Quebec:	
Eastern Townships	5,275
Montreal area	774
Elsewhere	211
Ontario	230
Nova Scotia	154
New Brunswick	52
Alberta	16
British Columbia	35
Manitoba	12
Saskatchewan	2
Prince Edward Island	10
United States	111
Bahamas	1
British West Indies	4
Channel Islands	1
France	5
Italy	1
Mexico	1
Monaco	1
Newfoundland	6

Quebec Shows Lower Deficit

Revenue and Expenses Both Higher in 1934-35 Fiscal Year

With revenue up 13.1 per cent while expenditures increased only 8.4 per cent, the province of Quebec improved its budget position in the year ended June 30, 1935.

Deficit for the year was $4,939,235 as compared with $5,594,472 in the previous year. In the 1933-34 period, however, $184,118 of ordinary expenditures were charged to surplus account so that the actual deficit was reduced by $839,356.

Increases in receipts were general throughout the various sources of revenue.

Of an increase of $2,863,026 in expenditures, $1,254,196 is attributed to augmentation in the service for the public debt which absorbed $8,546,248, or 26.7 per cent of the ordinary revenue.

As at June 30, 1935, there were unpaid accounts of $1,688,873 not entered into the public accounts for the year and, in consequence, are a charge upon the 1935-36 budget. The comparative figure at June 30, 1934, was $1,428,680. In commenting upon this, Edgar Vezina, provincial auditor, states that "this manner of overlapping expenditures, from one year to another, is contrary to the spirit of the law; tends to diminish the control of public moneys by the legislature and, further, militates against establishing an exact statement of operations for a given financial year."

Quebec Budget Experience
Years Ended June 30

Year	Revenue $	Expenditure $	Deficit $
1934-35	31,984,885	36,924,121	4,939,235
1933-34	28,282,504	33,876,977	5,594,473
1932-33	31,023,889	37,864,797	6,840,908
1931-32	36,941,020	37,525,720	584,700

Unemployment Relief

Disbursements for unemployment relief are not treated as ordinary expenditure, but are capitalized. In the meantime, loans having been contracted for this purpose, the interest on the bonds issued is charged to ordinary expenditure, as well as the annuities for the creation of sinking funds. Disbursements under "unemployed aid acts" in the year ended June 30, 1935, were $10,184,950, bringing the total expended during the past five years to $33,524,535.

Public Debt Higher

Public debt of the province increased during the year by $21.2 millions to $134.5 millions. This figure includes net debenture debt, liabilities to banks and treasury bills outstanding.

Inter. Paper Output Is Up

Newsprint Only Product to Record Decline — Flood Damage

From Our Own Correspondent

MONTREAL. — International Paper and Power Co.'s operating units produced over 1.7 million tons of pulp and paper during 1935 compared with just under 1.6 million tons in 1934.

Despite an increase of approximately eight per cent in consumption of newsprint in United States and Canada during 1935 as compared with 1934, the company reports a decline in production of around 34,000 tons. With the exception of tissue and wrapping paper, all other grades of paper and pulp recorded a larger output.

Comparative production figures by tons are summarized as follows:

	1935 $	1934 $
Newsprint	720,629	754,575
Specialty papers	121,917	95,864
Book and bond	102,148	88,681
Kraft	459,539	364,786
Pulp or sale	173,537	160,232
Tissue; wrapping	54,617	55,685
Bags	73,654	58,961
	1,706,041	1,573,784

Flood Damage Reported

Since the beginning of the current year International's subsidiaries have been faced with operating difficulties. Last January a burst penstock flooded the hydro-electric plant of the company's Newfoundland subsidiary, with serious damage to the generating equipment. It is expected that repairs will be completed to put the mill in full production, by the end of next week.

The unprecedented spring floods forced suspension of operations at mills of International Paper Co. at Livermore Falls and Continental Paper and Bag Corp. mills at Mumford and at York Haven. But operations have again been resumed on a curtailed basis. Newfoundland flood damage is estimated at about $350,000, but with American properties, the exact cost of repairs has not yet been determined.

Washing Machines

Seventeen factories in Canada manufactured or assembled domestic washing machines during 1935, according to reports submitted to the Dominion Bureau of Statistics.

CANADIAN
FUND

Prospectus and annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

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Bond Markets

Investors Cold-Shoulder Western Bond Markets

Area of Default Disturbance Spreads — Short Term Money Rates Continue to Decline

Frightened by the Alberta default and Premier William Aberhart's refunding legislation, investors have turned "thumbs down" on western provincial bonds for the present.

While the first repercussions of the Alberta default were largely confined to the market for Alberta issues, the area of disturbance has now spread so that the market for bonds of the western provinces has practically disappeared.

Negotiations are proceeding between the Windsor Finance Commission and the bondholders' committee. Several minor points have yet to be ironed out.

There is considerable dissatisfaction among bondholders of Price Bros. with regard to the sale of bonds on deposit with the bondholders' protective committee to Pacona Ltd.

Refinancing of the funded debt of St. Lambert, Que., has been approved. A refunding issue is to be sold and present bondholders paid off in cash.

Canadian Canners $5 millions refunding issue of convertible bonds should prove attractive to investors. The bonds are divided into two groups: 3 per cent due 1937-42 and 4 per cent 15-year bonds.

Wholesale refunding of municipal debts in Alberta is not in prospect, the municipal refunding bill having been withdrawn. Calgary and Edmonton, however, already have refunding powers.

Short Term Bonds

THE offering of $35 millions of 10-year 3½ per cent bonds, part of which is being made in Canada, of Consolidated Edison Co. of New York, formerly Consolidated Gas Co., should prove attractive to investors who are reluctant to enter the high-grade, long-term market.

While favoring short-term securities, large investors continue to be forced into the long-term market. Short-term bonds are scarce and most refunding operations are being carried out on a long-term basis.

It appears that the scarcity of short-term securities will continue for some time, since the decline in the general interest rate does not seem as yet to have touched bottom. The only sellers of short-term bonds at the present time are those requiring immediate funds.

* * *

Interest Rates Decline

INTEREST rates on short-term funds in Canada continue to fall and are currently at the lowest level in history.

On April 14 the Dominion government sold $25 millions of 3-month treasury bills at 99.78138, an average cost basis of 0.879 per cent, the lowest on record.

This indicates that there is still a large accumulation of idle funds in Canada.

Since there is little indication of extension of productive operations or the undertaking of new enterprises as a result of the prevailing easy money rates, it is possible that the downward trend will continue.

* * *

Bond Prices

WHILE the disturbance to the market as a result of Alberta's default has spread to other western provincial bonds, Dominion of Canada bonds and eastern provincials have not been affected. Fractional declines have been recorded by some of the issues but this is largely attributed to the Easter holiday inactivity.

Minor advances continue to be made by industrial issues, The Financial Post index rising from 102.53 for the week ended April 6 to 106.67 for the week ended April 13.

The trend of the market for high-grade government issues is indicated below:

The Financial Post Average Yield and Price For High Grade Government Bonds

1936	Yield %	Price $	1935	Yield %	Price $
Apr. 14	3.331	114.15	Apr. 13	3.470	113.50
Apr. 11	3.331	114.15	Apr. 11	3.521	113.10
Apr. 9	3.331	114.15	Apr. 10	3.540	112.90
Apr. 8	3.330	114.18	Apr. 9	3.558	112.77
Apr. 7	3.317	114.35	Apr. 8	3.559	112.71
Year's	3.303	114.55	Year's	3.367	114.97
Range	3.597	111.50	Range	4.097	106.57

For the Bond Buyer

Illusory Liens

Pledge of Special Assets Against Certain Municipal Bonds of Little Value in Case of Difficulties

Financing of the Orillia Light & Water Commission's power development by issue of town of Orillia bonds brings to the mind of bond buyers the question: In case a municipality gets into financial difficulties, could the bondholder realize on special assets pledged to secure his investment?

The answer seems to be that it is unlikely.

Orillia has borrowed funds within the last year to pay for expansion of power plant. The town has authority to issue debentures for electrical power purposes. A special 1934 act of the province of Ontario enables the town to secure bonds by a charge or lien upon new works, plant or equipment to be acquired with the proceeds of the bonds.

Wording of Bonds

New bonds issued by the town carry this inscription:

"The holder of this debenture is hereby granted a charge or lien upon the new or additional works, plant, or equipment, acquired or to be acquired by the Corporation of the Town of Orillia with the proceeds of these debentures authorized by the said by-law No. 1,257 as security for the due payment of this debenture and interest thereon."

The question in the minds of bond buyers is: If anything happened to cause the town to default its debt payments, would the holders of these specially secured bonds continue to receive principal and interest when due, providing it were earned by the power plant? Or would they be in the same boat as holders of any other Orillia bond issue?

Enforcement Problem

While holders of specially secured municipal bonds may have a lien on a profit-making utility, often they cannot exercise it. Then they are in no better position than the holder of one of the municipality's ordinary, garden-variety bonds.

In the case of bonds secured by assets of the Walkerville-East Windsor Water Commission, investors are theoretically secured by a profit-making venture. If, however, they attempted to enforce their lien, taxation might be levied against them so as to make foreclosure ineffective, or some other penalty could be exacted. Therefore, although interest is earned on the bonds they are thrown into the pot with the ordinary bonds of Walkerville and East Windsor in the settlement of debts of defaulting Windsor municipalities.

Segregation Necessary

In the case of the defaulting township of Scarborough, Ont., there are bonds outstanding secured by assets, of the township's hydro-electric utility. Holders of these find themselves no better off than investors in ordinary Scarborough bonds.

In the case of the specially secured Orillia bonds, the investor has a claim on the town. If the Orillia Light & Water Commission were to issue its own bonds, the investor's claim on the assets of the power. enterprise might be more readily enforceable.

In the past investors have bought such specially secured municipal bonds with the idea that they were getting something better than just the municipality's promise to pay. In practice, it begins to appear that they are no better off than holders of other bonds of the municipality.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Paton Mtg.	6%	1953	May 1	103
Wabasso Cotton.	6%	1947	May 1	110
St. Maur. Vall. Cot.	6%	1952	May 1	105
Shaw. Cotton	6%	1949	May 1	105
Wabasso Cotton.	7%	1942	May 1	110
Ontario Steel	6%	1943	July 1	110
St. Mary's Cement	‡6%	1942	May 1	103
Robt. Simpson	5%	1952	July 1	105
Imperial Realty.	6%	1945	July 1	102
Catholic Epis. Corp. Timiskaming†	5½	1932-56	July 2	101
B. A. Oil	5%	1945	May 29	103
Dom. Canners	6%	1940	Oct. 1	110
Nat. Utilities	*6%	1948	Apr. 25	...
Can. Realty	6%	Serial	June 1	105

Stock Issues:	Rate	Stock	Date	Price
Geo. Weston	7%	Pref.	May 1	110
Can. Bronze	7%	Pref.	May 1	110

* Tenders called for $3,300.
† $65,000.
‡ $31,500 for sinking fund purposes.

Religious Issues

Fab. Sainte-Thérèse d'Amos, 6%, May 1.*
Synd. Paroisse Sainte-Thérèse d'Amos, 6%, May 1.*
Notre-D. Hospital, Montréal, 5½%, 1937-50, May 1.•
Soeurs Dominic. du Rosaire, $53,000, 5%, May 1.†
Synd. et Fab. Eusèbe de Verceil, Montréal, émission de $340,000, 5¼%, May 1.▲
Soeurs du Bon Pasteur, Halifax ($70,000), 5½%, May 1.*
Fab. N.-Dame du Chemin ($250,000), 1930, 5%, May 1.*
Do., ($100,000), 1931, 5%, May 1.*
Soeurs des Saints Noms de Jésus et Marie ($250,000), 1940 à 1946, 4½%, May 15.†
Synd. Paroisse Saint-Pierre du Lac, Val-Brillant, 5%, June 1.■
Religieux Ste.-Croix, $485,000, 5½%, June 1.†
Diocèse of Alexandria, émission $37,000, échéance 1926 à 1951, 5½%, June 1.*
Dominic. ou Frères Prêcheurs, Montréal, émission $85,000, 1934, 5%, June 1.†
Sisters of Charity, Qué., 5%, July 1.*
Fab. Sainte-Thérèse de Blainville, émission juillet 1925, 5%, July 1.*
Pères Eudistes, de la Province de Qué., émission $130,000, 5%, July 1.†
Sisters of Charity of Saint-Louis, Bienville, 5½%, July 1.†
Fab. Saint-Jean Damascène, Montréal, émission 1930, $85,000, 5½%, July 1.▲
Diocese of Timiskaming, émission $65,000, 5½%, 1932-56, July 1.†
Notre D. Hospital, Montréal, 5½%, Oct. 1.▲
Le College de Notre D. Cote des Neiges, 5½%, 1936-52, June 1.†

*Price 100; ▲102; †101; •102½; ■100½.

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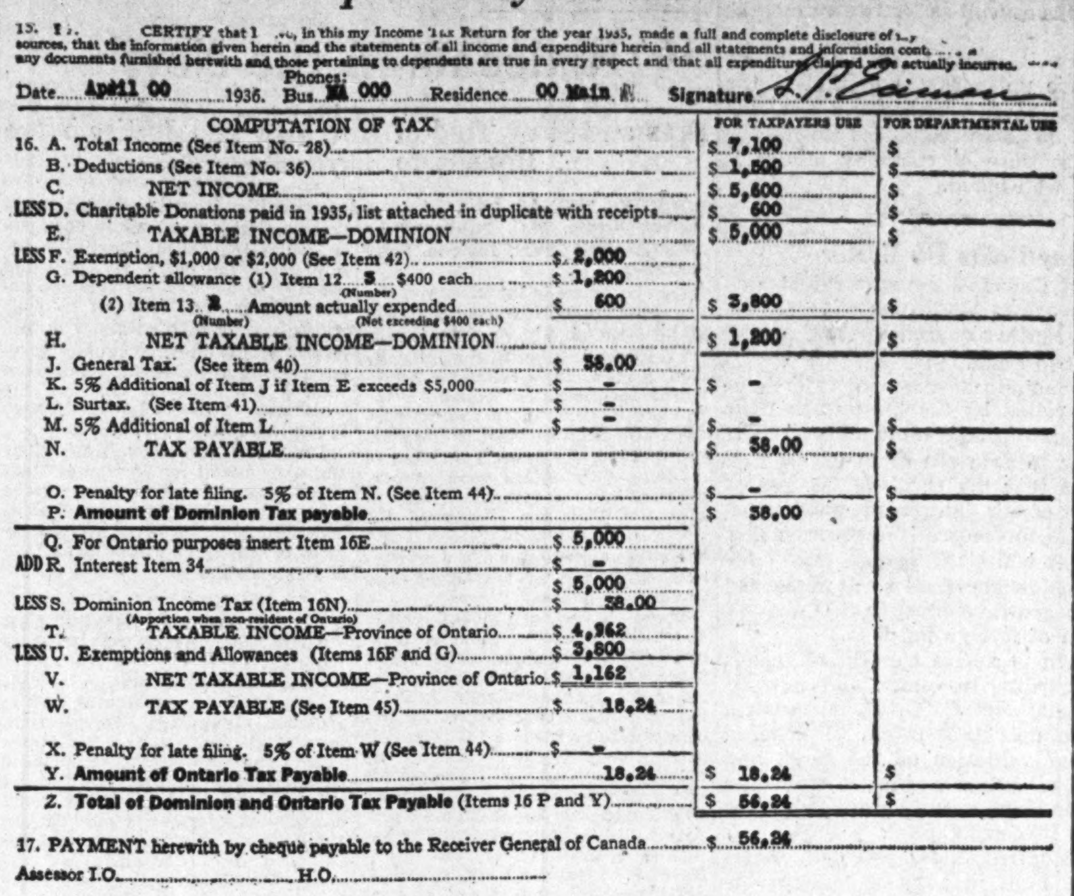
One Cheque to Pay Two Income Taxes



15. I, [illegible] CERTIFY that I [illegible], in this my Income Tax Return for the year 1935, made a full and complete disclosure of [illegible] sources, that the information given herein and the statements of all income and expenditure herein and all statements and information cont[illegible] any documents furnished herewith and those pertaining to dependents are true in every respect and that all expenditures claimed were actually incurred.

Date April 00 1936. Phones: Bus. MA 000 Residence 00 Main St. Signature L.P. Eaman

COMPUTATION OF TAX		FOR TAXPAYERS USE	FOR DEPARTMENTAL USE
16. A. Total Income (See Item No. 28)		$ 7,100	$
B. Deductions (See Item No. 36)		$ 1,500	$
C. NET INCOME		$ 5,600	$
LESS D. Charitable Donations paid in 1935, list attached in duplicate with receipts		$ 600	$
E. TAXABLE INCOME—DOMINION		$ 5,000	$
LESS F. Exemption, $1,000 or $2,000 (See Item 42)	$ 2,000		
G. Dependent allowance (1) Item 12 3 (Number) $400 each	$ 1,200		
(2) Item 13 2 (Number) Amount actually expended (Not exceeding $400 each)	$ 600	$ 3,800	$
H. NET TAXABLE INCOME—DOMINION		$ 1,200	$
J. General Tax. (See item 40)	$ 38.00		
K. 5% Additional of Item J if Item E exceeds $5,000	$ -	$ -	$
L. Surtax. (See Item 41)	$ -		
M. 5% Additional of Item L	$ -	$ -	$
N. TAX PAYABLE		$ 38.00	$
O. Penalty for late filing. 5% of Item N. (See Item 44)		$ -	$
P. Amount of Dominion Tax payable		$ 38.00	$
Q. For Ontario purposes insert Item 16E	$ 5,000		
ADD R. Interest Item 34	$ -		
	$ 5,000		
LESS S. Dominion Income Tax (Item 16N) (Apportion when non-resident of Ontario)	$ 38.00		
T. TAXABLE INCOME—Province of Ontario	$ 4,962		
LESS U. Exemptions and Allowances (Items 16F and G)	$ 3,800		
V. NET TAXABLE INCOME—Province of Ontario	$ 1,162		
W. TAX PAYABLE (See Item 45)	$ 18.24		
X. Penalty for late filing. 5% of Item W (See Item 44)	$ -		
Y. Amount of Ontario Tax Payable	18.24	$ 18.24	$
Z. Total of Dominion and Ontario Tax Payable (Items 16 P and Y)		$ 56.24	$

17. PAYMENT herewith by cheque payable to the Receiver General of Canada $ 56.24

Assessor I.O. H.O.

Collection of Ontario's income tax, through a combined Dominion-Ontario income tax return, is under way.

Above is shown a portion of new form, and the way in which it would be completed by an Ontario business man with a total income of $7,100 in 1935, but who is subject to various deductions for dependents, etc.

For those who are familiar with the Dominion form, compilation of the provincial return is a simple process. The Ontario tax is computed on the same form. After calculating the net taxable income, the taxpayer then compiles the amount of Dominion tax due, deducts it from the amount taxable and then calculates the Ontario tax. One cheque is used to pay both amounts to the Dominion treasury.

Collection of both taxes by the Dominion will ensure a large return to Ontario, according to Ontario treasury officials, since it saves the cost of a second tax collecting organization and has the benefit of the efficency and experience of the Ottawa department.

The Ontario income tax is devised to spread the burden throughout the province. Under the previous municipal income taxes, individuals evaded levies by changing their places of residence in the province.

Ontario this year will remit to municipalities which formerly collected an income tax an amount based on the 1935 levy by such municipalities. Later, it is understood, all municipalities may participate in a share of the provincial income tax. The amount in each case would be determined on the sums collected by the province from such municipalities.

Braid Tuck & Co. Ltd. Makes Bond Offering

Braid, Tuck & Co. Ltd., Vancouver tea importers, has sold $75,000 of 6 per cent first mortgage bonds to Pemberton & Son, investment dealers.

Proceeds of the issue are to be used to pay off mortgages on the company's real estate, retire bank loans and to provide additional working capital.

$75,000
6% First Mortgage Sinking Fund Bonds
Braid, Tuck & Co. Ltd.

Dated Oct. 1, 1935; due Oct. 1, 1945.

Company—Incorporated in 1925. Wholesale distributors of teas, coffees, canned goods.

Capitalization—	Author.	Issued
6% 1st mtge. bonds	$150,000	$75,000
7% pref. shs.		$50,000
Common shs.		$90,000

Assets—Valued at $228,794 as at Dec. 31, 1935.

Earnings—Average net earnings available for interest, depreciation and income tax during the past six years has been $21,335.

Security—First charge on fixed assets and floating charge on other assets.

Sinking fund—Sufficient to retire bonds by maturity.

Callable—At 102 to Oct. 1, 1940; at 101 thereafter to maturity.

Purpose of Issue—To pay off mortgages and bank loans and to provide additional working capital.

Offering — By Pemberton & Son, Vancouver, at 97.50 per cent to yield 6.35 per cent.

Columbia Power Sells First Mortgage Bonds

Pemberton & Son, Vancouver investment firm, has underwritten an issue of $75,000 of 6½ per cent first mortgage bonds of Columbia Power Co.

The company supplies power to a number of small communities in British Columbia. Proceeds of the issue are to be used to pay off existing mortgages and to extend its distribution system.

$75,000
6½% First Mortgage Bonds
Columbia Power Co. Ltd.

Dated March 1, 1936; due March 1, 1936.

Company—Incorporated in 1929, the company supplies power to Smithers, Williams Lake and Golden, B.C. Arrangements made to serve Terrace, B.C., and to purchase system serving Naksup, B.C.

Capitalization—	Author.	Issued
6½% 1st mtge. bonds	$150,000	$75,000
6% pref., par $100	25,000	9,800
Common	20,000 shs.	3,668 shs.

Assets—Depreciated value of assets as at Dec. 31, 1935, was $119,363.

Earnings — Operating profits in 1935 amounted to $16,120. Additions to the system will bring this to $21,600, the company estimates. Net available for bond interest, but before depreciation, is estimated at $16,842.

Purpose of Issue—Proceeds to be used to pay off existing indebtedness and to provide for acquisition of plants at Naksup and Terrace.

Sinking fund—Sufficient to retire issue by maturity.

Callable—At 103 up to March 1, 1941; at 102 to March 1, 1946; at 101 to Feb. 28, 1951.

Offering—By Pemberton & Son, Vancouver, at 98.5 to yield over 6.65 per cent.

Dividends Declared

	This payment	Date payable	Date of record
Anglo Can. Tel., p.	87½c	May 1	Apr. 15
Beatty Bros., 1st pf.	$1.50	May 1	Apr. 15
Calgary Power, pf.	$1.50	May 1	Apr. 15
Can. Bronze	25c	May 1	Apr. 20
Do., pref.	$1.75	May 1	Apr. 20
Can. North. Pr., c.	30c	Apr. 25	Mar. 31
Can. Indust. A & B	$1	Apr. 30	Mar. 31
Cosmos Imp.	20c	May 15	....
Celanese of Am. pr. pf.	$1.75	July 1	June 6
Do., part. pf.	$3.50	June 30	June 16
Cosmos Imp. p. new	$1.25	July 15	....
Can. Iron, pf.	$1.50	Apr. 30	Apr. 15
Dome Mines	50c	Apr. 20	Mar. 31
Hollinger Gold	5c	Apr. 21	Apr. 6
Humberstone Shoe	50c	May 1	Apr. 15
Imperial Bank	$2.50	May 1	Mar. 31
Int. Nickel, pf.	$1.75	May 1	Apr. 1
Internat. util., pf.	$1.50	May 1	Apr. 20
Do., $3.50 pfd.	75c	May 1	Apr. 20
Kirk. Lake G.	3c	Apr. 30	Apr. 9
Mtl. L. H & Pr.	37c	Apr. 30	Mar. 31
McWatters G. Mines	5c	Apr. 25	Apr. 15
Nor. Ont. Power	75c	Apr. 25	Mar. 31
Do., pref.	$1.50	Apr. 25	Mar. 31
Neon P. of W. Can. pf.	$1.50	May 1	Apr. 15
Nova Scotia Tr., c.	$3.50	Apr. 15	Mar. 31
Nor. Can. Mining	2c	May 1	Apr. 11
Penmans	75c	May 15	May 5
Do., pref.	$1.50	May 1	Apr. 21
Simpson, Robt., pf.	$3	May 1	Apr. 15
St. Law. Flour	50c	May 1	Apr. 20
Do., pref.	$1.75	May 1	Apr. 20
South. Can. Pwr., c.	20c	May 15	Apr. 20
Steel of Can.	43¾c	May 1	Apr. 7
Do., pref.	43¾c	May 1	Apr. 7
Std. Silver & Lead	1c	Apr. 25	Mar. 31
Toburn Gold	2c	May 21	Apr. 21
Westminster Paper	20c	May 1	....

Investment Trusts

	Bid	Asked
Trans-Canada	12.15	12.95
All Can. Com. Trustee Shs.	11.75	12.25
Can. Int. Trustee	5.25	5.75
Grouped Income	5.94	6.50
Can. Invest. Fund	4.25	4.55
Can. Amer. Trust	4.00	4.25
Can. Equity Shares	13.12	....

Newsprint Mills Establish New Mark in First Quarter

From Our Own Correspondent

MONTREAL. — Canadian newsprint mills recorded a further increase in production and shipments of newsprint last March compared with the same month a year ago.

According to the News Print Service Bureau, production in Canada last month totalled 243,900 tons, as against 205,682 tons a year ago, while shipments at 239,253 tons compared with 198,574 tons in March, 1935.

Production in the United States last month was 76,507 tons and shipments 74,300 tons; for the same month last year output was 73,528 and shipments 74,341 tons.

During March 24,095 tons of newsprint were made in Newfoundland, as against 28,393 tons for the same month last year.

Total North American production for the month amounted to 344,502 tons, as against 309,370 tons in March, 1935.

Gain For Quarter

For the first quarter of this year Canadian mills produced 693,045 tons, or 105,099 tons more than in the same period in 1935, an increase of 17.9 per cent.

The quarterly output in the United States was 228,828 tons, or 3,912 tons more than for the first three months of 1935.

In Newfoundland the quarterly output dropped off 6,519 tons and in Mexico 5,630 tons. However, the North American production showed a net increase of 96,862 tons, or 10.8 per cent more than a year ago.

Stocks of newsprint paper at Canadian mills at the end of March were reported at 96,254 tons, as against 78,396 tons a year ago. Stocks at United States mills at 18,163 tons compared with 17,604 tons last year. The combined total of stocks in Canada and the United States at the end of last month at 114,417 tons, compared with 107,563 tons at the end of the previous month, and 96,000 tons at the end of March, 1935.

Smith, Davidson & Wright

With income from operations and from investments both higher, Smith, Davidson & Wright Ltd., Vancouver paper and printers' supply firm, improved its position in 1935.

Income and Surplus Account
Years Ended Nov. 30

	1935 $	1934 $
Gross profit	215,731	195,884
Add: Income from invests.	11,948	11,006
Net earnings	227,679	206,890
Less: Gen. & admin. exps.*	212,645	196,734
Res. for taxes	500	......
Net profit	14,534	10,156
Add: Prev. surplus	40,777	30,621
Surplus forward	55,311	40,777

*Includes provision for bad debts and depreciation.

NOTICES

City of Yorkton

The City of Yorkton, Saskatchewan, invites enquiries or offers for the purchase of the following debentures:

Bylaws 9 and 14—1933; $21,400—5½%. Present value $19,636.63. Maturing in 1952, annuity plan payable annually.

Bylaws 10 and 13—1933; $63,000—5½%. Present value $59,577.37. Maturing in 1957, annuity plan payable annually.

All above debentures are dated November 30th, 1932, and will be issued in denominations to suit purchaser.

Three instalments have been redeemed and purchaser will pay accrued interest to date of delivery of debentures.

Bids will be considered up to May 2nd.

Full particulars or any information may be obtained on application to the undersigned.

Yorkton's financial position is sound and all debenture payments have been promptly met and present debt is comparatively low.

Dated at Yorkton, Saskatchewan, this 9th day of April, 1936.

H. M. JACKSON,
City Treasurer.

Sherbrooke Street Realty Corporation

Notice to Holders of 6½% First Mortgage Bonds

NOTICE IS HEREBY GIVEN that Coupon No. "F" originally falling due November 1st, 1935, appertaining to the said Bonds, will be paid by the Company at the principal office of The Royal Bank of Canada in the Cities of Montreal, Toronto, Winnipeg, Vancouver, Halifax, or Saint John, N.B., on May 1st, 1936, at the face amount thereof, in lawful money of Canada.

SHERBROOKE STREET REALTY CORPORATION
C. E. GREARSON,
Secretary.

Montreal, April 6th, 1936.

Can. Hydro Profit Down

Earns $18.82 a Share on Preferred in 1935 — Outlook Obscure

From Our Own Correspondent

MONTREAL. — Canadian Hydro-Electric Corp.'s financial statement for 1935 will show net earnings of $2,353,225 available on the first preferred stock, or $18.82 a share. This is in contrast with net earnings of $2,379,446, or $19.03 a share during the previous year.

Last year the company's power properties had an output aggregating 2,852 million kw.h. as compared with 2,765, million kw.h. in 1934.

Consolidated operating revenue of Canadian Hydro amounted to $9,241,881, as against $9,253,632 in 1934.

The usual charges were provided for in connection with Gatineau Power's funded debt, depreciation, and amortization of storage works, leaving net earnings on the basis outlined.

Additional Depreciation

The policy adopted in 1933 of charging additional depreciation against the surplus account was continued in 1935 to the extent of $1,750,000. This compares with $1,812,750 in 1934.

In connection with the funded debt of Gatineau Power Co., the report will show a reduction in the outstanding first mortgage bonds of $338,000 to $69,252,500; a decrease of $388,000 to $9,724,500 in the sinking fund debentures, and a reduction of miscellaneous obligations from $321,167 to $282,355.

No Junior Dividends

Canadian Hydro's report will make detailed reference to the new contracts between Gatineau Power and Ontario Hydro. These contracts call for a minimum payment of $2.4 millions and when full deliveries are made, revenue from the contract will then be increased by over $1.5 million, but will still be some $700,000 less than the revenue that would have been received for the same amount of power under the old contracts.

In the report of International Hydro-Electric System, Erwin L. Moore, president, points out that so long as contract takings on the Gatineau Power's new contracts with Ontario Hydro continue on the minimum basis, there will be no earnings available for dividends on the second preferred and common stocks held by the system.

Prince Edward Island Budgets for Deficit

Prince Edward Island is budgeting for a deficit of $70,330 on ordinary account in 1936.

Ordinary expenditures are estimated at $1,709,597 and ordinary revenues at $1,639,267.

Capital expenditures are placed at $186,500, against expected capital revenues of $149,885.

For the year ended Dec. 31, 1935, the province reports a deficit of $376,297. Ordinary expenditures totalled $1,900,842 and ordinary revenues, $1,542,546.

Brewing Corp. Sells New Issue

Retires Two Debenture Issues Maturing April 1, 1936

Brewing Corp of Canada retired $365,000 of 7 per cent guaranteed sterling debentures due April 1, 1936 and $450,000 of 5 per cent notes due on the same date by issuing and selling $1,250,000 Series A 5½ per cent debentures. These were sold privately to English and Canadian interests. Details follow:

Series "A" 5½ per cent Sinking Fund Debentures:

Dated—April 1, 1936; due April 1, 1946.

Authorized—$1,500,000; issued and outstanding, $1,200,000.

Principal and semi-annual interest (Apr. and Oct. 1) payable in Can. funds or sterling at holder's option.

Redeemable at 102.

Security—A direct obligation of company, by guarantee of principal subsidiary cos., by first mortgage on fixed assets of subs. and by pledge of capital stock of subs.

Option warrants—Purchasers of debentures can buy maximum of 150,000 shares to Oct. 1, 1941, at $8 share; or 106,666 shares to Oct. 1, 1943, at $9 share; or 120,000 shares to Oct. 1, 1945, at $10 share; cash from exercise of warrants to be used by co. entirely in redemption of debs.

Sinking fund—7 per cent of the maximum amount of debentures at any time outstanding, commencing Oct. 1, 1937.

Bond Sales

Treasury Bills

The Bank of Canada has announced the sale of $25 millions of Dominion of Canada treasury bills due July 15. The average discount price of the accepted bids was 99.78138. This gives an average cost basis of .879 per cent, the lowest on record. This compares with the average cost of 0.927 per cent obtained on a similar issue at the end of March.

AT WORK ON LAND

After one or two false starts work on the land became fairly general in the earlier sections of Southern Alberta this week. Assuming that the rest of the prairies are able to follow within a week or ten days, this would make spring on the late side throughout Western Canada.

Victoria Furniture Bond Issue Sold

Quebec Enterprise Liquidates Bank Loan and Calls Old Issue

MONTREAL. — Rene T. Leclerc Inc. announce the sale of $250,000 of 6 per cent first mortgage sinking fund bonds, due serially one to fifteen years, of Victoriaville Furniture Ltd.

This company has been in operation since 1894 and the present financing is for the purpose of redeeming $70,500 of 6½ per cent first mortgage bonds and $80,000 advances by the banks. The balance will be available for working capital.

$250,000
Victoriaville Furniture Ltd.
6 per cent first mortgage sinking fund bonds due serially one to fifteen years

Dated: Apr. 1, 1936. Maturing: Apr. 1, 1937 to 1951

Principal and interest payable only in Canadian funds. Redeemable at 103 up to and including Mar. 1, 1941; at 102 up to and including Apr. 1, 1946; at 101 thereafter.

Company—Victoriaville Furniture is one of the largest furniture manufacturing companies in Quebec.

Capital—	Authorized	Outstanding
6% 1st mtge. s. f. bonds	$250,000	$250,000
Common stock, par value $100	99,000	99,000

Earnings—Net earnings in 1935 available for interest, but before depreciation, amortization, income tax, amounted to $50,413. It is expected there will be additional savings of $8,000 annually as a result of the current financing.

Security—First mortgage on all movable and immovable property now or hereafter owned by the company. In addition the bonds are secured by life insurance policies amounting to $180,000 which have been taken on the life of four of the principal officers of the company.

Offered—By Rene T. Leclerc Inc. at 100 and accrued interest to yield 6 per cent.

Canadian Realty Corp. To Pay Off Bonds at 105

Canadian Realty Corp., subsidiary of The Royal Bank of Canada, announces it will redeem all its outstanding six per cent first mortgage bonds at 105 on June 1, 1936.

The company is the owner of important bank premises.

Our 1936
INCOME TAX BOOKLET

Provides illustrations for use in calculating Dominion of Canada and Province of Ontario income tax.

Copies upon request.
Write or telephone WAverley 3681

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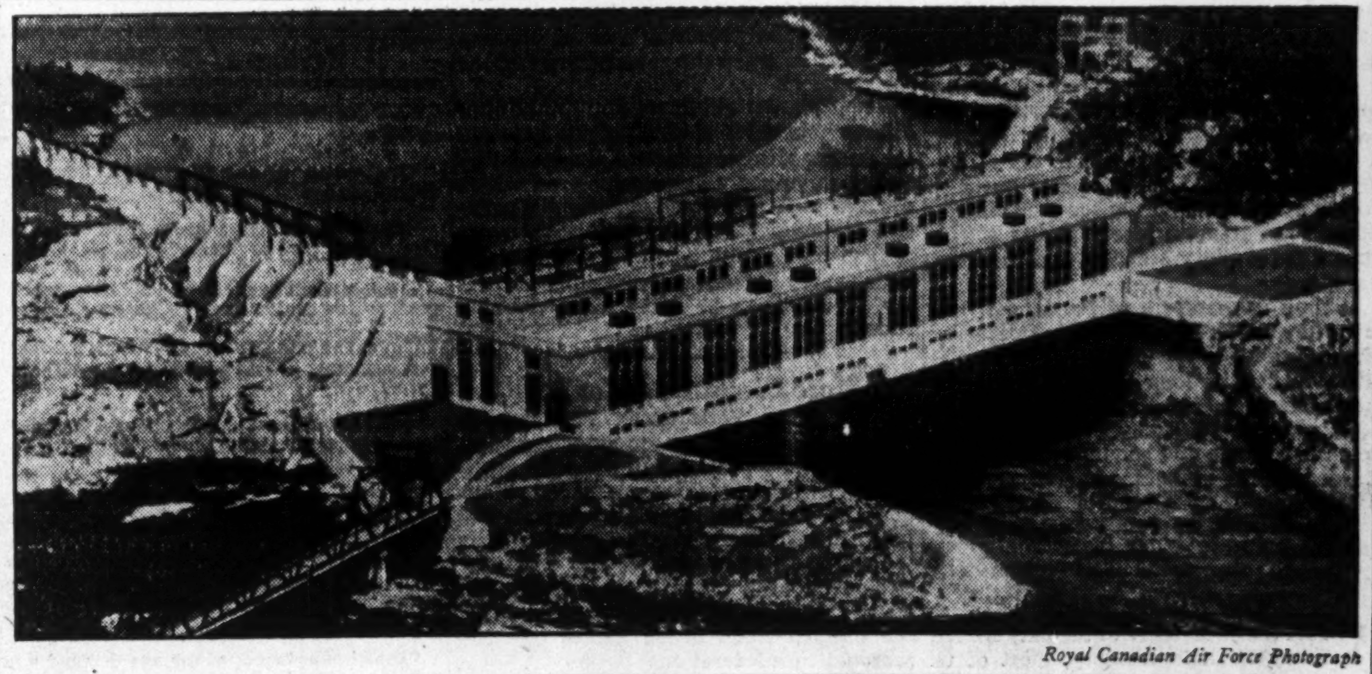

Royal Canadian Air Force Photograph

The Half-Million Horsepower Hydro-Electric Development of the Saguenay Power Company, Ltd.

THIS PLANT ALONE generated approximately one-tenth of the entire output of all central electric stations in Canada last year.

SAGUENAY POWER COMPANY, LTD.
[FORMERLY DUKE-PRICE POWER COMPANY, LTD.]
Head Office Montreal

The Financial Post

Member Audit Bureau of Circulations

Editor—Floyd S. Chalmers

Business Manager—D. M. Gowdy

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TORONTO, APRIL 18, 1936

Honesty Among Voters

FEW people have ever seen R. J. Deachman walking the streets with a lantern in his hand, yet since he was elected a member of Parliament for North Huron, he has made the important discovery that there is honesty among the electorate, the taxpayers, the voters—if one but searches it out.

Mr. Deachman's discovery, which should be noised abroad from the housetops, is that his electorate actually approved the closing of a customs port within his constituency once they knew the facts.

Since time immemorial, it has been a great Canadian custom for local groups to raise a storm of protest at Ottawa whenever any Government office or community undertaking was being eliminated. Conversely, the cheers are usually loudest, the larger the appropriation which could be obtained for a local government undertaking, such as a post office or a new wharf.

Mr. Deachman's great discovery concerns some of his own constituents — the people of Wingham, Ontario. Once they knew the facts about their customs port which was closed on Jan. 1; once they knew the average collection cost of customs revenue in Canada is about three per cent, and that the cost of maintaining a port in their neighborhood was 40 per cent; once they knew that Canada had 433 ports compared with only 269 in United States and 80 in Great Britain, and that the government was spending over $6.5 millions annually in salaries and contingent expenses at these ports each year—they were quite content to give their approval to this particular economy move as well as their support for the general move in that direction throughout the country.

Canada could and should close a great many more of these ports. Two dozen have been closed since the government came into power. This is a continuation of something which has been going on now for several years. But more must be done. It is not unreasonable that at least 100 additional ports could be closed this year with a corresponding saving and increased efficiency.

To do this successfully, it should be announced as a matter of public policy rather than quietly and individually, as in the past. The government should place clearly before each community and before the country at large, the actual facts as to the cost of operating this particular service in relation to benefits received. By so doing it would elicit the support of business leaders and officials in the town or village, rather than starting a whispering attack when a peremptory order to close the port is made.

As long as members of Parliament believe they are doing their job properly by opposing economies which affect their constituency, just so long will Canada's debt and public finance problems remain a millstone around our neck. When members have the courage and commonsense to test and discover the inherent honesty of their constituents, then problems of debt, of railway deficits, of heavy taxation, will disappear.

The Middle Road

WITH the experience of the past decade fairly fresh in memory, most of us appreciate, if indeed we do not wholeheartedly support, the argument for what might be called "the middle road."

Just what that middle road will be, depends in some measure at least upon our own philosophy of life, upon our occupations, and upon our individual circumstances. The difficulty very often is to translate our views into something specific and concrete; something which will help us to give expression to our principles in every-day living—and, what is even more important, apply these in public as well as in private life.

That is the job which Victor R. Smith, general manager, Confederation Life Association, has attempted recently in a short sermonette to those who comprise the membership of this far-flung organization.

He points out that life insurance men have a great responsibility since they are stewards of the thrifty, "safeguarding the small savings of many people." Such a stewardship entails, he believes, a definite responsibility "to follow the middle road, to exercise a well-considered judgment, and not to be swayed to either one extreme or the other." The middle road he defines for life insurance men as the "cautious one of steady adherence to well-tried principles which will ensure that the company will carry out its fundamental duty—namely to make prompt payment, in full, of every just claim made upon it."

Translating this into every-day living, Mr. Smith urges those engaged in that business to support these principles by adherence to the following four simple rules.

"1. To aid governments in their efforts to maintain peace.

"2. To aid governments in resisting attempts to force them to spend money unwisely or needlessly.

"3. To aid governments in their efforts to balance their budgets and keep their expenditures well within their incomes without further borrowing.

"4. To resist every unsound financial suggestion looking to the repudiation of legal obligations."

All too often there is a needless yawning chasm between the individual and government. By challenging the individual responsibility of each person engaged in the life insurance business, no matter what his every-day duties may be, Mr. Smith not only makes a fine case for "the middle road" viewpoint, he also strikes at a fundamental need of present-day democracy—namely, the necessity of individual responsibility in public as well as in private and domestic life.

Tragic Cost of Great War

A COMPILATION of Dominion government figures shows that the total cost of the Great War to Canada, including interest charges over the past 20 years, has been the staggering sum of $4,341.5 millions. The proof that war doesn't pay is as follows:

Direct war expenses	$1,696,898,653
Pensions	641,836,554
Soldiers' civil re-establishment	223,691;732
War graves	4,811,287
Halifax explosion	6,000,000
*Soldiers' settlement	24,848,528
Total cash	$2,598,086,754
Interest	1,743,402,150
Grand total	$4,341,488,904

*Administration only.

It will be noted that the smallest item of expenditure has been on graves.

South Africa's New Mines Tax

THE South African government has, apparently, come fairly close to achieving the impossible, and has drafted a mines tax schedule which, judging from its reception in English and South African mining journals, goes a long way toward satisfying both schools of thought.

In view of the fact that the Canadian government will shortly bring down a budget which will doubtless have great bearing on the mining industry, it is interesting to note how the Rand gold producers are to be taxed to their own apparent satisfaction.

In the first place the government there has simplified the tax, which was formerly based on a complicated mathematical formula. Formerly the mines paid income tax, excess profits duty and surtax. The first of these has, under the new schedule, been reduced from 20 per cent to 15 per cent. The second and third have been combined under one tax, graduated, at the rate of 35 per cent of the value of the gold recovered less 40 per cent of the cost of its extraction, divided by the profit.

The maximum rate which will be levied by the government under the graduated formula is to be 35 per cent, so that, with the 15 per cent income tax, the maximum tax payable will be 50 per cent.

In the case of the low grade producers, only the 15 per cent normal income tax will be levied, as the application of the formula in such cases will result in a negative quantity. Thus the new scheme will still encourage the milling of low grade ore, and thus prolong the life of the Rand.

On the other hand, if a mine can increase its grade, the proceeds will be divided equitably between the government and the shareholders.

Although the difference in mining conditions precludes a comparison between the South African taxes and those paid by Canadian mines, the principles on which the new scheme is based, namely comparative simplicity, and the taxing of profits rather than gross yield, are something which every government of a mining country should keep in mind when drafting taxes.

More Disclosures, Not Less

THE New York Stock Exchange is getting a lot of adverse criticism because of its proposal to abandon regulations requiring quarterly earnings reports from companies whose securities it lists. Instead it proposes to ask quarterly reports of the earnings for the preceding twelve months. The Exchange officers claim the new system will really protect the public, which is too apt to overlook seasonal considerations when it sees quarterly earnings go up or down.

This to most investors will seem a backward and a regrettable step. There is no reason why a company should not publish both quarterly earnings and a statement of earnings for the twelve months as well. The twelve months figures would correct any tendency to undue elation or depression and a few words of accompanying explanation from the president of a company would give a proper focus for interpreting the figures.

The New York Stock Exchange has been most insistent in the past in requiring full disclosure from companies whose stocks were listed on it. Its example has been a strengthening influence for those who have been asking for greater disclosure in Canada. The principal Canadian stock exchanges have been trying at times to bring executives of companies to their views on this matter. A few companies have responded but the great majority of companies only give the annual reports.

Even with twelve months reports given quarterly, the United States companies will be giving the New York Stock Exchange more information than Canadian companies vouchsafe Canadian exchanges. But the New York Stock Exchange may bow to public opinion and decide in the end to require the quarterly figures for three months as well as for twelve months periods.

Whatever it does, Canadian practice should move up in line with that of the New York Stock Exchange. For the movement in both countries to secure greater disclosure of company affairs is sound and well based.

Our Boats Do Better

BOTH of Canada's government steamship ventures made operating profits last year. Neither earned interest on the investment in them.

The Canadian Government Merchant Marine is called by the trustees in their annual report "a war-time effort." The huge losses to date are often excused on the ground that the C. G. M. M. represented part of our fight on the submarine. Reference to the records, however, makes it clear that while the system may have been planned in war-time it was proceeded with as a peace-time effort to aid Canada's penetration of foreign markets.

Now down to a bare handful of vessels (which according to rumor may now be sold outright) the C. G. M. M. system runs at an operating profit. Putting a "reasonable" valuation on the boats and writing off all losses to date, it could pay depreciation charges and an allowance for interest on invested capital.

The Canadian National-West Indies ships were built in accordance with the terms of our British West Indies trade treaty. The export trade we brought by that treaty was expensive and shows little sign of growth. Last year's improved results from operating the boats reflect some credit in the management but the line was far from profitable, earning only about 40 per cent of interest on bonds in the hands of the public. A subsidy to a private steamship line would have been cheaper and to date would have saved the government some millions of dollars.

Editorial Notes

"Social Credit" proponents argue that rather than worry over exports of Canadian surpluses we should first devote ourselves to consuming all we produce. Does it ever occur to them that we get tropical fruits and such products as rubber in exchange for wheat, or that Canadians could not consume our surpluses of such products as nickel and newsprint which are better exchanged for things we cannot produce?

Post-Scripts

This Business of Inventing Plagues

IF ADVERTISERS keep it up they will soon have invented more diseases and plagues than the doctors. What between "halitosis" and "athlete's foot" and "B. O." and "dermerosion" there is not much left to afflict the human body.

Printers' Ink now lists 137 plagues invented for the advertising spreads and with an air of resignation has just added "kitchen fag" to the list.

The cures are numerous ranging from new furnaces or typewriters to paring knives, cosmetics and foods.

There are now 26 advertising diseases of the skin or complexion; 17 relating to the oral cavity; eight of the digestive tract; 14 of the nerves; 11 implying fatigue. The father of them all is the way you smell. There are now 19 advertising diseases relating to odors of which nine are disorders of the breath, including the obvious "whiskitosis."

We can hardly hope to be more original than the inventor of "wallflower hair," "wash day backache," or "reception room blues." But we suggest that there are a few diseases yet to be invented. There are "crackly foot" (the way you feel when you're breaking in a new pair); "telephone paralysis" (the way your ear feels when a client has just called up to rake you over the coals); "bulging Adam's apple" (which comes from wearing tight collars); and "blue finger nails" (which is the result of using the pens that banks put out on their public counters).

Sayings of the Week

"Our great possession is the right to work."—*Henry Ford.*

* * *

"Civilization is the history of surmounted difficulties."—*Herbert Hoover.*

* * *

"What a sad people you must be." — *Maxim Gorky, on a visit to Coney Island, New York.*

* * *

"I think profit ought to be only reasonable, as small as you can make it."—*Charles M. Schwab.*

* * *

"No nation can insulate itself from the mental and economic effects of a general war."—*Lady Astor.*

* * *

"Most of us do not stretch enough. Imitate the cat."—*Walter B. Pitkin, author of "Life Begins at Forty."*

* * *

"The office of poet laureate is responsible for much of the world's worst literature."—*John Masefield.*

* * *

"Rascality is less usual than integrity, and therefore commands the headlines." — *Henry Sloane Coffin.*

* * *

"The circumstances of the age demand a new relationship between government and private enterprise."—*Glenn Frank.*

* * *

"In so far as Hitler succeeds, that far will he succeed in making the Germans a brainless race."—*George Bernard Shaw.*

* * *

"You can't float a ship without water, and you don't sell goods to the busted part of any community."—*Hugh S. Johnson.*

* * *

"Compared with conditions in other countries, we have been better off in America even at the worst than elsewhere."—*Charles M. Schwab.*

* * *

"Heaped-up corporate surpluses and an over-concentration of wealth is not the life of trade, but the death of trade."—*Rexford G. Tugwell.*

* * *

"Despite the propaganda all about us, there is still a news ethic whose whole creed is that the fact, and only the fact, is holy." — *Dorothy Thompson.*

* * *

"It is practically impossible for any man, however honest, to be as careful and as worried about the public's money as about his own."—*Bruce Barton.*

* * *

"I object to every form of censorship. It is an impertinence for an official to interfere with an artist's freedom. Artists are more important than politicians."—*H. G. Wells.*

* * *

"The world is once again in that precarious condition in which the bad temper of a dictator, the ineptness of a diplomat, or the crime of a fanatic may let loose irremediable disaster." —*U. S. Senator Champ Clark.*

New Books

Redcoats in the North

Dramatic Story Told of How Law and Justice Were Brought to Barren Regions

POLICING THE ARCTIC. By Harwood Steele, M.C. Published by the Ryerson Press, Toronto. Price $3.50.

A great figure in the history of the Royal Canadian Mounted Police was Major-General Sir Samuel Steele. An original member of the force, he won great renown when he established the Mounted Police in the Yukon just prior to the famous gold rush. It is his son—born, so to speak, in the force, but never a member of it — who now writes, as a literary labor of love, this romantic story of how the Mounties conquered the Arctic and brought to the Far North of Canada a creditable and world-renowned system of law, order and justice.

There have been many books about the Mounties, some of them more romantic than accurate. Major Steele adequately documents the amazing story that he tells. In dealing with the Arctic region he has concentrated on one of the most colorful phases of the work of the R.C.M.P. He points out that only 130 of the present strength of 3,000 are now engaged in the Arctic and sub-Arctic. But the record he tells makes it quite clear that the work of the R.C.M.P. in the Far North is a most notable achievement. No other similar story can be told of any other part of the world—a story of unfailing courage, integrity and ability in the performance of duty.

Is Up-to-Minute

Major Steele says that he has attempted to avoid heroics in his story, but to tell a truthful story of the Mounted Police in the Arctic makes it impossible to avoid retailing accounts of heroism, or heroism is part of the great adventure.

Not the least of the qualities that make this book indispensable is the fact that it is up-to-the-minute. It gives the inside story, based on facts derived from official sources, of a great deal of the work of the R.C.M.P. in the North in the last five years, including a record of activities that would have made front-page stories in the newspapers had the papers known about them at the time.

The Royal North-West Mounted Police came into being in 1873. Their real testing period came with the rush of adventuresome miners to the Yukon. The mounted officers sent North to establish a police force along route of the great trek reported that there seemed to have been a general jail delivery. Saints and sinners, the simple and the wise, the cunning and the guileless, the strong and the weak—"all mad with the common madness"—poured into the North and created a problem of policing unique in history. How successfully the force measured up to their responsibilities is well told. Millions of dollars of gold was carried out safely, while the police effectively administered the entire territory and assisted as doctors, postmasters, relief officers and transport officials in addition to their ordinary duties. After the Yukon came equally great adventures, as the Arctic was ringed with a few redcoats carrying the white man's ideas of law and justice to the Eskimos.

There are numerous illustrations and a foreword by Sir James MacBrien, present commissioner of the Royal Canadian Mounted Police. Not the least interesting of the features of the volume is a large map of Canada's north.

QUEBEC STATISTICAL YEAR BOOK, 1935; King's Printer, Quebec City.

This is the 22nd edition of this volume of facts and figures on the province of Quebec. The present, however, is the first Year Book published in bilingual form, there having formerly been both an English and a French edition. The volume is one of the most informative publications available on the province, and includes a brief chronology of the chief events in the history of Quebec from the time Sebastian Cabot.

The statistics were compiled by Gédéas Lemonde, editor of the Year Book, under the supervision of J. C. Harvey.

PROSPECTS FOR INFLATION; University of Minnesota Press, Minneapolis.

This 32-page booklet reports lucidly a discussion of the possibilities of inflation in the United States by five economists at a conference at the University of Minnesota in February, 1936. The five are Dr. J. H. Rogers, Yale; Dr. Melchior Palyi, Chicago; Dr. C. O. Hardy, Brookings Institution, Washington; A. H. Hansen and A. W. Marget, Minnesota. They display a striking agreement on principles tending to effect an inflationary rise of prices. There is a general feeling that the best precaution against inflation would be control of the United States budget, that such control will be difficult to attain, and that even if achieved it would leave considerable scope for an inflationary price rise under the present monetary situation of the United States and of the world.

Partly because of its brevity, the discussion, as reported, will appear inadequate to the technical reader. For the lay and business reader, however, the clarity and brevity of the booklet are helpful to an intelligent appraisal of present inflationary forces, which apparently was the intention of the sponsoring university.

Alberta's New Sales Tax Curbs Purchasing Power

Calgary Herald

The new provincial sales tax of 2 per cent is to come into effect in Alberta on May 1, according to the terms of a bill to impose taxes on the ultimate purchasers of certain commodities. The tax is to be collected at the time of purchase by the vendor and turned over to the Aberhart government. Articles exempt from this taxation are bread, milk, coal, gas, water, newspapers, farm machinery, and repairs thereto, binder twine, electricity, agricultural products produced within the province when sold by the producer, fuel oil, liquor (already heavily taxed), and a few other commodities. The government expects to obtain $2,000,000 in revenue each year by this enactment.

This huge sum, when added to all the license fees authorized during the present session, will reduce purchasing power and curtail retail trade in the province very materially. This is impossible to reconcile with Mr Aberhart's promise during last summer's election campaign that he would reduce taxes and increase the buying power of consumers. That promise was not taken seriously by all those who stopped to analyse the Social Credit platform, but it was accepted with complete trust by his followers.

The government has found itself unable to create a Social Credit heaven in Alberta, and it is busy presenting alibis and offering time extensions. More to the point would be an indication on the part of the premier and his colleagues that they are prepared to make personal sacrifices at a time when they are asking all other citizens to do so.

While compelling the people to pay more taxes, even on commodities they need in every-day life, on their incomes, and for the right to carry on business, the ministers and members should show their sympathy for long-suffering taxpayers by cutting down ministerial salaries, sessional indemnities and the membership of the House. These are feasible and obvious economies, but so far there is complete unanimity in the Social Credit caucus that their own revenue and perquisites for public service should remain intact.

Other People's Views . . . . .

Memories Are Short

F.P.A. in New York Herald-Tribune

Men's memories are short. They don't prepare against the recurrence of war, and not much against the recurrence of the poverty that comes with wide unemployment. They don't remember the campaign promises of politicians; and the politicians don't remember them, either.

Unwise Salary Publicity

N. Y. Herald-Tribune

Another instance of the unfairness and undesirability of publicity given in connection with salaries and other compensation of corporation executives was shown at the annual meeting of the American Tobacco Company. A stockholder emphasized that 95 per cent of social unrest throughout the country is directly traceable to publication of income statistics of individuals.

The result, naturally, is to make wives, as well as husbands, jealous of those in higher paid brackets. The rank and file, meanwhile, are resentful at what they regard as fabulous and wasteful payments to mere company presidents, vice-presidents, etc.

It may be observed that announcement of salary figures tell only a small part of the story. Almost invariably an executive must spend a large part of his pay in maintaining his position, for the credit of the firm as well as for his own benefit. When the end of the year comes the "big salary" has shrunk considerably and a little later income taxes take their toll. Some corporate heads may be receiving more than they are worth, but the percentage is small in this category. American business and industry generally may be considered efficient with directing heads worth every cent they receive in salary checks and in bonuses. Harping on the size of salaries not only induces outside criticism and jealousy, but interferes with harmony within the organization itself by disclosing what should be a semi-private matter, details of which would be known only to managements.

As Others See Us . . . . .

Apply the Argument

Hamilton Herald

Replying to a British manufacturer who stated that the British would have nothing to do with any Canadian business after the treatment received by the Grand Trunk Railway shareholders at the hands of the Canadian Government, The Financial Post remarks:

"Grand Trunk shareholders got all their shares were worth, which was nothing. Canada's mistake was in not permitting the company to go into bankruptcy to demonstrate that fact."

The Post's argument is eminently sound. In fact, it is one of the main arguments advanced by supporters of the Canadian National Railways for writing down the undeserved capital indebtedness under which that railway has labored since its inception, because the private roads of which it is largely composed were not allowed to go into bankruptcy.

Now that the railway situation seems to be attracting public notice again, The Financial Post might do well to apply the argument it uses here to that issue, for by doing so it would be helping to advance a cause which touches all Canadian citizens.

Editor's Note.—Share capital of Canadian National Railways is shown at $270 millions. Of this the government owns 266 millions, representing a cash investment of around $10 millions. The balance is so much "water." Nevertheless, the deficits shown by the C.N.R. are without any charge for interest or dividends either on the water or the actual cash invested in shares. Writing off the $250 millions odd of share capital would not arouse much argument; writing off all or part of the cash investment of the government (upward of $1,500 millions) is a subject for keener controversy.

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April Bond Letter

In addition to a diversified list of investment offerings the April Bond Letter contains a comparison of price trends, in chart form, of Dominion of Canada and Provincial bonds. A copy will be mailed upon request.

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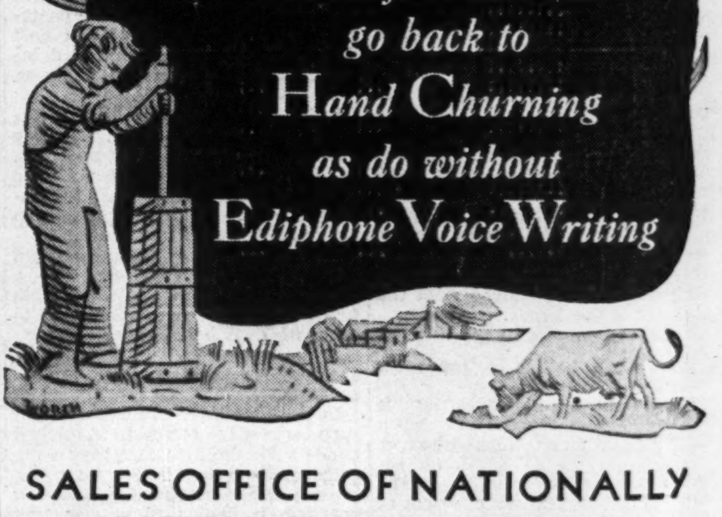
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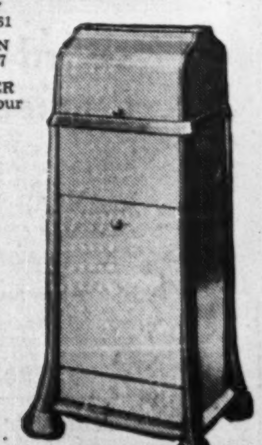

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Week in Business

Easter, Newsprint, Copper—Make News

Several Constructive Items Revealed in Business Records of Past Week — Retail Buying of Better Character

Important business news of the week comes from widely different sources. Thus there is the important announcement from Montreal that St. Lawrence Corp. and its affiliates have decided to eliminate the famous "fall" clause from their newsprint contracts. This means that buyers from this group will no longer be able to demand newsprint at below prevailing prices. The significance of the move really depends on whether or not other companies will follow suit. If so, the St. Lawrence move is an important harbinger of underlying strength in the marketing position of the industry.

* * *

Then among the metals, last week's increase in copper prices in the United States has drawn attention to the sharp upturn in Canadian prices which has developed quite independently from the United States situation, though the basic reasons are the same in both instances. Canadian prices (governed primarily by the British market) are now around the 10½-cent mark as compared with an average price in 1935 of 7.8 cents.

Since Canadian production in 1935 was over 400 million pounds, a little simple arithmetic shows the benefit to Canadian producers to be over $4 millions annually for every one cent increase in price.

* * *

Looking back at the Easter parade, the news is mostly favorable. Big retailers report a satisfactory week of business considering the handicap of poor weather and the fact that Easter came one week earlier this year than last. Thus at least one large national distributor reports business almost up to corresponding figures for the Easter season last year without allowing for one week less of trade. Individual days were excellent but buying was not uniformly good. One feature of retail buying to date has been the continued demand for a slightly higher type of merchandise. Better grades of clothing were particularly in demand, it is reported.

And for those who cater to travel and to luxury goods such as flowers, the season was highly satisfactory. Travel agencies report many records broken. This was particularly true of business to and from New York. Florists reported a very satisfactory week despite the threat of cut-price blooms from the United States.

* * *

In the States, observers are still finding encouragement in weekly business news though Col. Leonard Ayres, in his monthly review this week, warns of two factors which he describes as "less than fully reassuring." One is the continued large volume of unemployment and the other that "the increases in the volume of industrial production are no longer going forward as rapidly as they were earlier in the recovery period." Construction would be the greatest aid in this regard, he says, it being still only about half "normal."

Business Indicators

Changes of the Week

Favorable

Carloadings and rail earnings continue slightly atop of corresponding figures of last year. Good gains in grain and coal loadings for the week ended April 4 were offset, however, by a falling off in movement of pulpwood and of forest products (other than lumber and pulp and paper).

Shoe production at new high for February. As noted elsewhere on this page, however, factories now have little business ahead due to a slow spring season.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest—		—Cumulative Total— Jan. 1 to date	
Transportation—	1935	1935	1936	1935
Car loadings (Apr. 4)	▲44,345	44,173	588,603	599,322
C.N.R. gross earn. (Apr. 7)	$ ▲3,358,934	$ 3,149,032	$ 43,638,705	$ 41,525,429
C.P.R. net revenue (Apr. 7)	$ ▲2,515,000	$ 2,273,000	$ 31,797,000	$ 28,710,000
Business Conditions—				
Weekly index D.B.S. (Apr. 4)	▲106.1	99.0	......	......
	MONTHLY DATA			
Business Conditions—	1936	1935	1936	1935
Financial Post index (Feb.)	106.6	98.3	....	....
Transportation—				
C.P.R. net earnings (Feb.)	$ 867,397	$ 850,144	$ 1,479,969	$ 1,054,458
C.N.R. net revenue (Feb.)	‡288,460	$ 132,567	$ ‡864,790	$ ‡613,786
Iron and Steel (Feb.)—				
Pig iron production (tons)	55,751	37,259	117,087	81,675
Steel ingots and castings prod. (tons)	93,365	56,006	193,590	115,532
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Feb.)	4,299	5,987	9,029	8,835
Factory output (Feb.)	10,853	13,885	22,114	22,154
Trucks and Buses:				
Domestic sales* (Feb.)	1,113	1,253	1,927	1,868
Factory output (Feb.)	2,415	4,229	4,436	6,567
Exports (Feb.)	5,143	7,869	10,225	12,455
Construction—				
Building permits (Feb.)	$ 1,911,384	$ 3,601,637	$ 3,195,600	$ 4,484,515
Contracts awarded (Mar.)	$ 10,289,100	$ 8,499,000	$ 32,127,200	$ 29,391,300
Newsprint (tons)—				
Production (Feb.)	221,569	180,305	449,524	382,264
Sugar (lb.)				
Melting & shipments§ (raw)	20,434,690	20,633,450	41,489,975	37,767,119
Manufactured§	20,769,861	25,678,831	44,814,535	55,480,112
Flour (bbls.)				
Production (Feb.)	1,019,017	941,417	2,001,005	1,966,375
Wheat flour exports (Feb.)	340,102	309,729	654,413	655,828
Trade (February)—				
Retail trade (index no. of sales)	69.1	69.1	......	......
Imports, (Feb.)	$ 41,597,390	$ 37,043,710	$ 82,187,674	$ 74,273,115
Exports (Feb.)	$ 60,198,198	$ 47,677,418	$ 114,615,922	$ 92,051,034
Wheat exports (bush.) (Jan.)	7,557,320	5,380,266	......	......
Employment, D.B.S. Index (Mar. 1)				
All industries	98.9	96.4	......	......
Manufacturing	99.5	92.7	......	......
Electric Power Output (Feb.)—				
Total monthly (000's omitted)	1,937,550	1,803,447	4,028,591	3,816,189
Aver. daily	66,812	64,409	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (Feb.)	25,360	88,670	97,596	163,861
Boot & shoe prod., pr. (Feb.)	▲1,835,240	1,580,041	3,349,199	2,909,921
Crude petrol., imp., gal. (Feb.)	39,654,916	53,576,228	100,786,265	113,524,512
Cotton imports, lb. (Feb.)	11,724,000	6,193,000	31,663,007	17,261,000
Raw rubber imp., lb. (Feb.)	4,256,000	3,491,000	8,194,272	9,471,505
Coal imports, tons (Feb.)	530,842	494,491	983,520	973,417
Finance—				
Bank debits (Feb.)†	$ 2,767,449	$ 2,089,041	$ 5,759,517	$ 4,771,091
Bond sales (Feb.)	$ 138,913,775	$ 25,734,700	$ 272,570,889	$ 44,961,200
Life insurance sales (Feb.)	$ 30,474,000	$ 28,716,000	$ 64,695,000	$ 61,704,000
Automobile Financing—				
Used cars (Feb.)	$ 906,921	$ 848,001	$ 1,881,817	$ 1,361,077
New cars (Feb.)	$ 1,006,756	$ 1,136,203	$ 2,042,634	$ 1,787,475

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to Feb. 22, 1936. ‡Deficit.

Canada Steamships Opens 1936 Navigation

From Our Own Correspondent

MONTREAL. — Regular freight schedules were inaugurated this week by Canada Steamship Lines from Montreal to Three Rivers and Quebec, and from Montreal to Sorel. Freight services to points west of Montreal will begin about the middle of next week.

Maritime Tel. and Tel. Seeks New Rate Schedule

From Our Own Correspondent

MONTREAL. — Maritime Telegraph and Telephone Co. has made application to the Nova Scotia board of Public Utilities to amend the toll rate schedule so as to make night rates effective all day Sunday on both station-to-station and person-to-person services.

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Quebec Utilities To Show Worth

From Our Own Correspondent

MONTREAL.—Power operators in Quebec have been instructed by the Quebec Electricity Commission to submit within 60 days the schedules outlining the extent, nature and location of their plant and equipment used in the production, distribution and sale of electrical energy.

This action has been taken in order that the commission may decide upon the steps that should be taken to establish the real value of and the actual capital invested in hydro public utilities for the purpose of fixing rates for the sale of electrical energy.

Prices Show Easier Trend

Commodities Fail to Share Stock Market Vitality

Vitality of stock markets in recent weeks contrasts strikingly with easiness in commodity prices. The latter are about level with those of a year ago, but over the last month share prices have recorded an average gain of 60 per cent in the U. S. and about 35 per cent in Canada, according to the commodity report of W. A. McKague, commodity chairman, of the Purchasing Agents Association of Toronto.

Business activity is lending a little support to commodity prices, but the advance in business, according to the association's findings, is less than ten per cent over last year, and the tendency in the last three months has been downward.

Wheat, Cotton, Rubber

Wheat is numbered among the weaker commodities in the face of war threats, and the fact that stocks remain below last year's levels, two factors which normally might be expected to exert a strengthening influence on the wheat price structure.

Continued reduction in rubber stock which started last autumn has strengthened the price to about 16 cents. Cotton is holding between 11 and 12 cents, with stock about the same in volume as a year ago, although U. S. Government holdings remain a weak factor.

Volume of business in iron and steel reflects a general reaction during recent weeks and removes any immediate prospect of advanced prices, the survey says. Demand for coal has been larger, due to weather conditions, but prices show no important change. Lumber prices have had a brisk recovery without any marked stimulus in business volume.

Metal Stable

Metal prices are generally stable. Tin has eased from recent high levels since world stocks show no further reduction.

Lead supplies in the U. S. are still heavy, but prices are holding and practically no change has occurred in the zinc market, although stocks in this category have been curtailed. Copper markets remain firm.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

Argentina—The agricultural situation has improved as a result of rains; exports are down, but general business situation is good.

Uruguay — Business and general economic conditions continue to improve, with wool arrivals up and collections reported prompt.

Brazil—March wholesale and retail trade surpassed in volume that of February, and with the hot season drawing to a close, the business outlook for the immediate future appears good.

Chile—Wholesale and retail trade shows a seasonal increase and mining, industrial, and agricultural activities are at satisfactory levels.

Peru—Business conditions remained satisfactory during March, but with agricultural outlook appearing less favorable.

Bolivia—Unsettled economic conditions of past few months over uncertainty of future exchange policies persist.

Ecuador—Despite general quietness of the market during the rainy season, March retail sales were above those of February.

Panama—Increased tourist traffic together with better conditions in the interior, has stimulated trade in that country.

Mexico — Business activity continues at comparatively high levels of January and February, with collections in general satisfactory.

El Salvador—Present indications point to possible business upturn toward the close of the year.

Costa Rica—Rising prices were evident both in the March market for imported products and that for domestic foodstuffs.

Honduras—Preoccupation of farmers with preparations for planting had a restricting effect on the country's sales activities during March.

Nicaragua—Easter holiday buying is smaller than in any recent years.

Cuba—Seasonal peak of business was reached in mid-March, with slight recession noted as month closed.

Haiti — Denunciation of Franco-Haitian commercial convention confuses business outlook.

Dominican Republic— Severity of drought in north creates pessimistic outlook in that region.

Jamaica—Current business during March has been estimated at 10 and 15 per cent below normal.

Trinidad—Business continues reasonably satisfactory.

EXCLUDED FROM ACT

From Our Own Correspondent

HALIFAX.—In a decision handed down by the Nova Scotia Board of Commissioners of Public Utilities, the Halifax Power and Pulp Co. is excluded from the scope of the Public Utilities Act.

New Milk Plant

A modern milk condensing plant, fully equipped, representing an investment of about $100,000 will be erected at Red Deer this spring by the Central Alberta Dairy Pool.

Background of Business

Spring Shoe Business Curb to Production

Factories Have Little Business Ahead But Prices Hold Firm — Florists Happy at Easter — Wool Market Strong

Though February figures showed boot and shoe plants in Canada to be operating at a new record high mark for that month, demand so far in 1936 has slacked off considerably, The Financial Post learns.

Reason for this is that high production figures reflect the heavy rush of orders last fall when price increases were contemplated and put into effect. It is these orders that were keeping plants busy, in most cases.

A falling-off in demand during 1936 has caused some questioning as to whether higher prices can be retained, although companies which did not change their quotations last fall are putting through small increases at the present time. Further increases in price of raw materials have paved the way for stronger prices all the way along the line, but ability of the trade to obtain this increase will doubtless depend to some extent at least on improvement of demand in the second quarter. Delayed buying on account of poor weather has had an important bearing on lack of sales, it is contended.

Most factories are said to have very little business ahead at the present time, but satisfactory retail demand during the past week has helped to keep price structure firm. One major problem in the trade is the poor financial condition of many retail outlets.

* * *

Easter Lilies

Easter has come and gone in the cut-flower business and trade reports to The Financial Post reveal a better season on the whole than last year despite the threat of U. S competition. Demand for cut flowers on the average was generally higher than a year ago while supplies were slightly below last year. This eliminated to a large degree, last minute price-cutting by retailers to clear stocks of flowers. Prices remained therefore about the same as a year ago and continued firm throughout the peak of the selling period.

Market for the famous Easter lily was also considerably improved over last year for growers which had a good supply. Blooms available were considerably reduced compared with last year due to the prevalence of bulb disease. This dearth in supply was an important factor in preventing last-minute price-cutting such as featured last year's market.

Very little mention was heard in the trade regarding U. S. competition, it is reported.

* * *

New Air Service

An aerial and freight service from Regina to Prince Albert will be started within the next two months. A new machine capable of carrying three passengers and about 600 lb. of baggage will be stationed in Regina. The announcement is made by Canadian Airways but it is said the service will not be operated by this company.

Initial flights will be on a call basis with development of a regular schedule as business warrants. It will connect at Prince Albert with regular scheduled planes to Goldfields and northern mining areas.

Whether the route would be direct or would include Saskatoon is not certain, says Regina Leader Post. Three or four years ago a Saskatoon airways outfit operated a tri-city route, Saskatoon to Moose Jaw to Regina and back to Saskatoon on daily schedule and the air mail service covered the same route.

* * *

Cure-all for Merchants

H. T. W. Forster of Medicine Hat, newly-elected president of the Alberta branch, Retail Merchants' Association of Canada, is authority for the statement (made before the Medicine Hat Chamber of Commerce recently) that "if all business now transacted by allowing consumers to buy direct from wholesalers at wholesale rather than retail prices were to be cut off and forced to pass through legitimate retail channels, practically every merchant in western Canada could climb out of the red."

In reply to questions regarding his Association and the master code for licensing retailers, Mr. Forster stated that 20 per cent of Alberta retailers at present belong to the R.M.A., but that the expressed wish of 50 per cent of all the merchants in any one classification would be needed under the proposed plan before code provision would be applied to that classification.

* * *

Japan's Place in the Sun

The dominating place of Japan as a manufacturer of textiles is shown in 1935 figures, which reveal total exports of cotton cloth from that country to have been over 2.7 billion sq. yds., compared with but 1.9 billion sq. yds. exported from Great Britain. Similarly, Japan in the same year exported 424 million sq. yds. of rayon cloth, compared with 51.8 million yds. of exports from Britain.

Japan is now the second largest rayon yarn producer in the world, following figures for 1935 production (not including staple fibre) showing the relative standing of the four leading producers: United States, 250 million lb.; Japan, 214 million lb.; Italy, 125 million lb.; Great Britain 112 million lb.

* * *

Australia's Movies

Australia recently extended its compulsory quota plan for screening Australian-made feature films, into the key state of Victoria. Similar legislation was introduced in New South Wales last year.

Two leading states which provide 75 per cent of total film revenue have thus inaugurated a plan which by the end of the fifth year will require 15 per cent of feature film (apart from news reels, travelogues, educational and industrial films) to be home-made. Three companies have been formed in New South Wales with capital aggregating $1 million. Two are being formed in Victoria.

To meet the quota requirements, Australia it is estimated must produce 22 films the first year, rising to 66 in the fifth subsequent year. Last year Australia showed nearly 1,000 American and 325 British films.

* * *

Wool Market Strong

An unusually strong world wool situation is reported by the Bureau of Agricultural Economics, Washington. The southern hemisphere clip has been sold quickly at high prices, and most grades of domestic wool at Boston are at the highest prices since 1929.

The wool supply in the southern hemisphere was 22 per cent smaller on Feb. 1 than on Feb. 1, 1935, and a limited supply of domestic wool at Boston is reported.

Stocks of wool in all positions reported to the Imperial Economic Committee of the United Kingdom at the end of 1935 were the smallest in the three years for which such statistics are available.

* * *

Ill-fated Gamblers

Death, disaster, bankruptcy and myriad other tragedies have been laid at the door of the depression. Now comes another black mark if figures of gambling convictions, as compiled by the statisticians at Ottawa, are to be believed.

Thus in 1930 the number of convictions for this criminal pastime was 6,565. The following year this jumped to 8,287, while in 1932 the number soared to 14,928.

But the end was not yet. By 1933 the number rose to 22,191, and in 1934—the latest year for which figures are available—the total was 30,699.

Perhaps there is no connection, but strangely enough, convictions for drunkenness in the same period decreased fairly substantially, the total of 36,000 in 1930 dropping to 21,000 in 1934.

* * *

Fishery Returns

A small decline in both the landed value and volume of Canada's sea fishery catch in 1935 is reported in preliminary figures prepared by the Federal Department of Fisheries. The size of the catch increased in both British Columbia and New Brunswick, while value of the catch was greater in Nova Scotia. In other areas there were declines on both bases. Value of fisheries export trade during the year was greater than in 1934, notwithstanding the lower production.

Preliminary figures for all Canada show a catch of 8,149 cwts. valued at $14.6 millions for 1935, a drop of 37,800 cwts. and a decline in landed value of $248,000.

* * *

International Publications

Publications of the League of Nations Society and other material on international affairs are now being handled in Canada by the Literature Service of the League at 124 Wellington Street, Ottawa. This service now handles publications for the following organizations: League of Nations; International Labor Organization; Royal Institute of International Affairs; Institute of Pacific Relations; Geneva Research Centre; League of Nations Union, London; National Peace Council, London; Council of Foreign Relations, U.S.A.; World Peace Foundation; Union of Democratic Control.

* * *

Nova Scotia Swordfish

The 1935 Nova Scotia swordfish catch was the best in Canadian history, reaching almost 2.2 million lbs. This is twice as large as the average annual catch in the past ten years, and has a value to fishermen of $148,000, compared with an average landed value in the 1925-34 period of $103,800.

Bulk of the catch is marketed in United States, and a small amount in Canada. Most of the fish are landed off the Louisburg-Glace Bay area of Cape Breton Island. The fish are described as "firm, nourishing and tasty, a little drier than the tissues of some other fish, since the oil of the swordfish is centred in its liver."

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.25	$6.35	$7.75
Hogs	9.10	9.10	9.25
Copper, lb.	.09¼	.09¼	.09
Cotton, lb.	.1169	.1160	.1195
Rubber, lb.	.16	.1581	.1158
Sugar, raw, lb.	.0375	.0375	.0315
Silk, lb.	1.71	1.79	1.41
Wheat (Man.) bus.	.80½	.78⅝	.89⅛
Coffee, lb.	.06⅜	.06⅜	.07
Weekly Indices			
N. Y. Annalist	124.2	124.4	125.6
Fishers'	82.5	82.6	81.7
N. Y. Journal of Comm.	79.6	78.6	80.3
Crumps (Brit.)	68.4	68.3	63.4
U. S. Labor	79.3	78.9	79.2
Canada (D.B.S.)	72.1	72.2	72.2
Monthly Indices			
Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Mar.)	80.5	80.4	78.9
W'sale (Feb.)	72.5	72.9	71.9
U. S. Labor (Jan.)	84.4	84.6	82.7
Gt. Brit. (Feb.)	76.7	77.2	71.8

Note: The base of indices is that 1926 equals 100. British index is Economist converted to 1929 base, U. S. 1929 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

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ONE of the many functions of this Company is that of Agent for the Preparation of Income Tax Returns.
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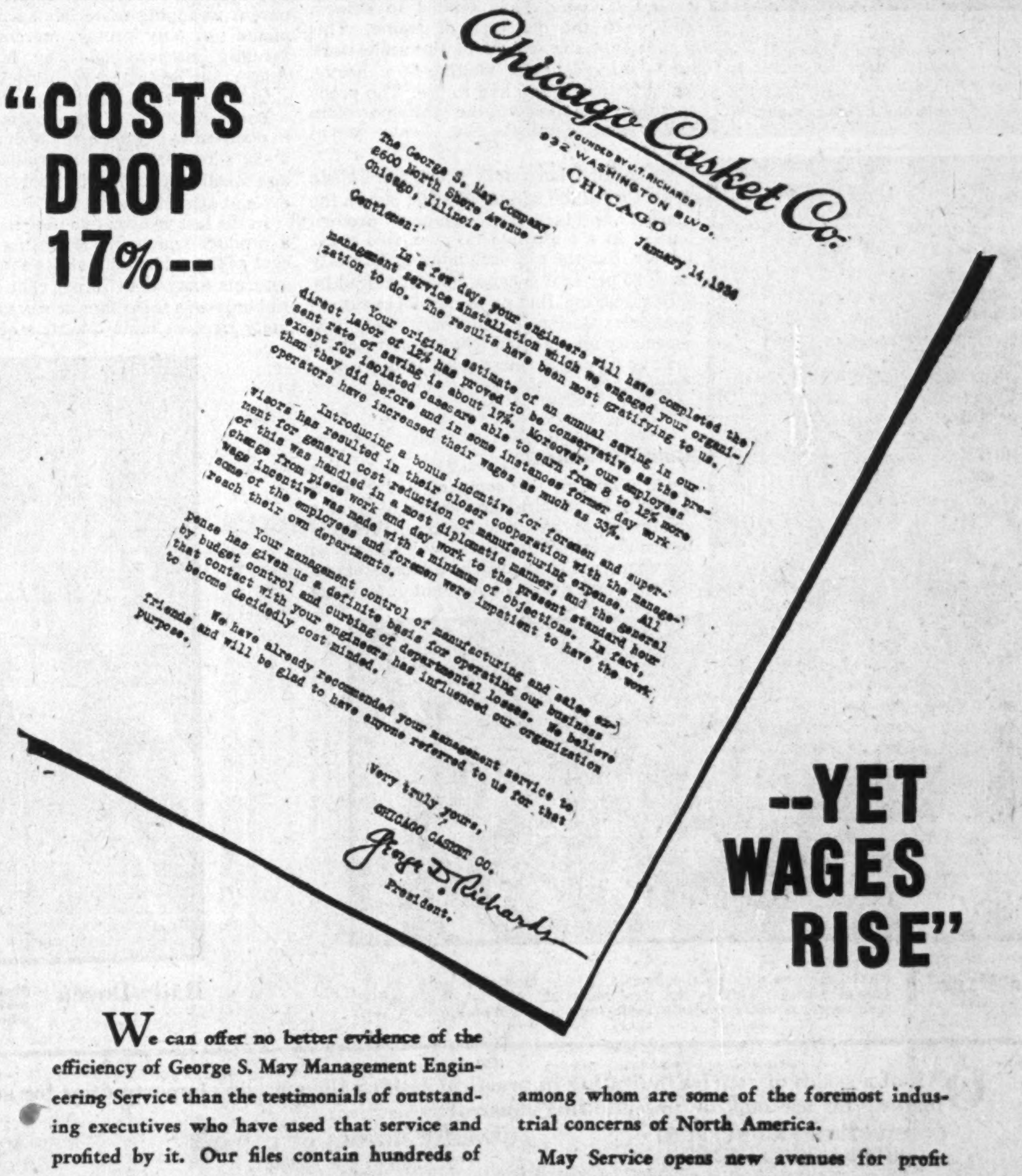

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January 14, 1936

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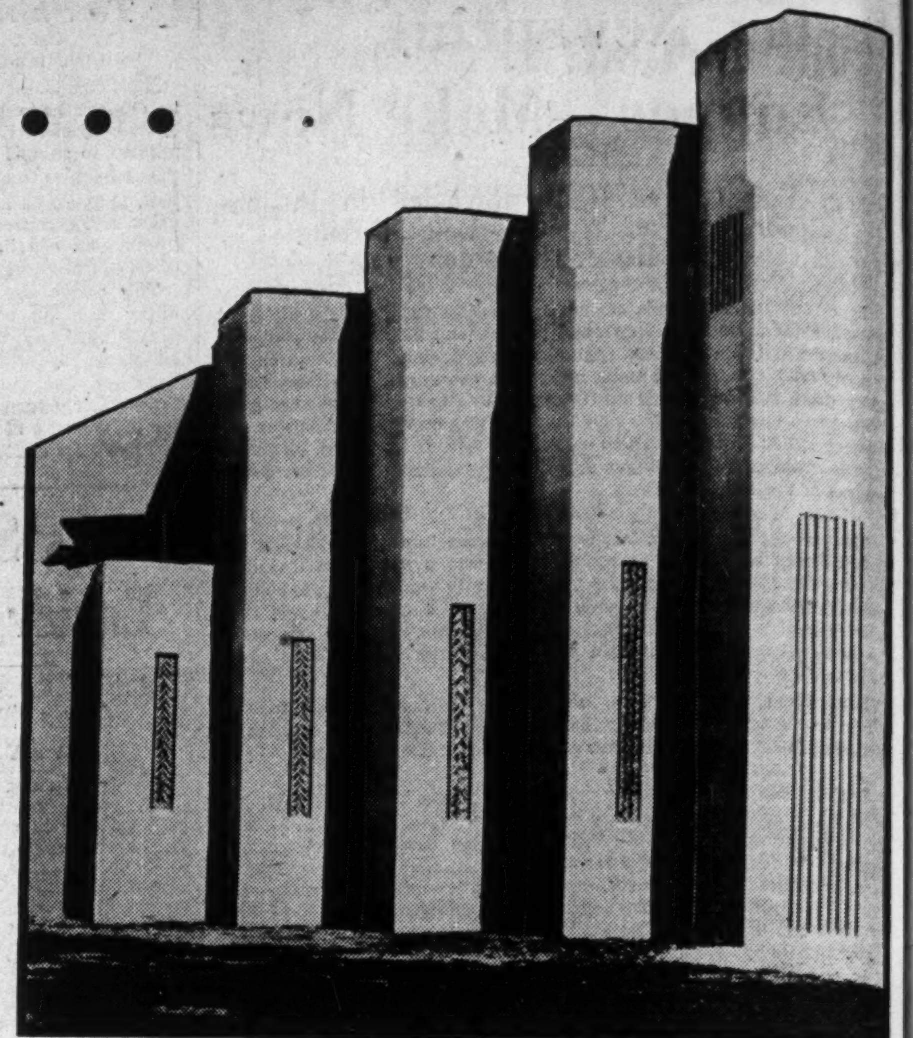
Materials Make News....

--and furthermore, they mean dollars and cents to alert business executives in these swiftly-moving days. Why new materials and new uses for old materials lead the parade in present day success stories of business . . .



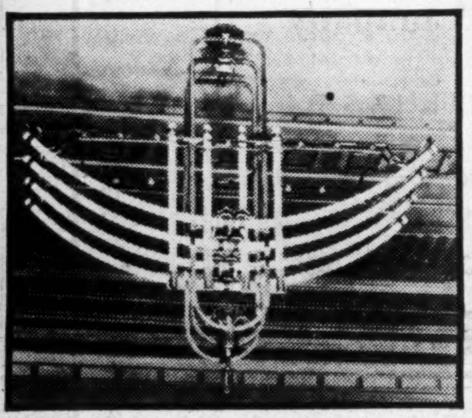
Concrete's New Role For centuries a basic building and structural material, concrete has made construction history in recent years as a front rank architectural medium capable of magnificent effects and an amazing range of treatments. Thus an age-old material enters the modern building arena in a new and vastly important rôle.

THE story is told that once upon a time C. F. Kettering, head of the General Motors Research Laboratory, became disgusted with the length of time required to paint the body of a motor car. He apparently did his best to convince paint manufacturers that a quicker, better way must be found to keep pace with the tempo at which mechanized production lines were able to produce this amazing piece of mechanism.

As a last effort, Mr. Kettering arranged a business luncheon with a person whom C. C. Furnas (in his book "The Next Hundred Years") describes as a "Big Man in Paint and Varnish." They drove to luncheon in the Big Man's car, and as they were leaving the car Kettering asked his friend if he had ever considered having his car refinished, and if so what color combination he would choose.

The Big Man said he had never seriously considered it since it was such a long, expensive piece of work, and that even the best repaint job was a risky business, because it always looked splotched and unfinished. However, if the job were to be done, the Big Man favored a dark green with a maroon stripe.

The pair went to lunch and talked for two hours, and it is said that the best Mr. Kettering was able to get from his friend was a promise that if this and that were done, car bodies might be finished in 22 days instead of the usual 24. When they returned to the Big Man's car, it was waiting at the curb refinished exactly as he had specified—in Duco. "Kettering," says Mr. Furnas, "had his little joke, and the paint and varnish people have been trying to catch up ever since."



Lighting Nickel alloys in a new rôle, and barlighting which can be plugged in and out like an ordinary electric light bulb combine to typify the new trends in lighting materials.

New for Old

THE story tells a tale that is being retold up and down the business world in these days of rapid change and magic movement. And nowhere is it more appropriate than in the field of new materials and new uses for old materials that are being uncovered by the chemists, the metal workers, and the countless experts whose business it is to delve and dabble in the realms of the new.

For it is in the development and use of materials that there is found a direct and potent application of the theme of obsolescence. Methods, machinery and processes change, too, but their incidence is seldom so important and far reaching as the introduction or development of a new material and the adaptation of old materials into new uses.

* * *

Phones and Plastics

TAKE, for example, the telephone. There are in use on this continent nearly 20 million instruments whose chief ingredient until a few years ago was metal. Then came the hand or cradle telephone, the dominating characteristic of which is a combined receiver and mouthpiece made of phenol plastic molded under high pressure by means of a hydraulic press. Since this material is an excellent insulator in addition to other excellent qualities, the probability is that the instrument of the future will be built largely if not entirely of some form of plastic.

* * *

AND, speaking of plastics, there is the classic example of the decade — the story of Toledo Scales and Plaskon.

The answer to this particular story is to be found in a gleaming, snowy-white little weighing machine which made its appearance last year after nine years of time, half a million dollars, and the resources of six great corporations had been tapped.

Previous to 1923, the cover or hood of all computing scales used in groceries, butcher shops, and delicatessen stores was made of cast iron and finished with lacquer. In that year, a combination iron and porcelain product was marketed, for which buyers and the public showed a decided preference. This necessitated a complete redesign job, since to fuse porcelain on iron required very high temperature, which, unless increased strength and rigidity were achieved, would have tended to deform and warp the old type of frame. This meant that the weight of the scale itself more than doubled, making it a heavy, bulky article to sell and to use. The problem then was to retain the white porcelain finish and eliminate the heavy metal frame.

To make a long story short, the Toledo Scale Co., in the middle of 1935, put on the market an ingenious compact product housed in a white plastic case, five times lighter than the cast iron housing formerly used, 25 per cent cheaper, and produced by the largest molding press on this continent —a press designed and built solely and especially for this job. The whole machine took up 63 per cent less space than its predecessor.

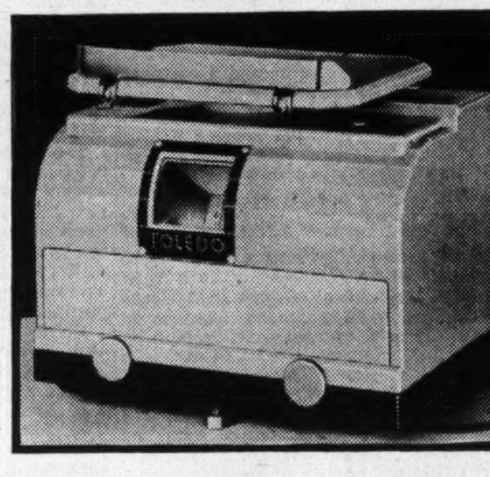
* * *

Ramifications

BY THE time this company had finished with its venture into the field of organic chemistry, it had developed an entirely new material—"Plaskon"—which has been merchandised since 1931 by a separate subsidiary company; had brought into being the continent's largest molding press—a giant 30 ft. high, operated by nine hydraulic rams every one of them 36 inches in diameter and capable of applying a pressure of three million lb., and weighing seven tons.

It had also revolutionized its own ideas about what a scale should or could do; had collaborated with an optical company to put 95,000 price graduations in the same area where 45,000 had formerly been, and made the size of the numerals four times those of the old; had collaborated with an aluminum manufacturer to develop a new aluminum alloy, as thin as a piece of paper, yet permanent, durable, and capable of holding a record of amazing accuracy.

Thus, if you own an old-fashioned scale today, it may be still as accurate as when you bought it and may not have depreciated very greatly in value or appearance. Nevertheless, it stands condemned as obsolete, compared with its modern brother which science and chemistry—in short, which new materials and new uses for old materials—have evolved.



Revolution That's what happened when a scale manufacturer started nine years ago to find a better, lighter cover for his product. Result: an entirely new material (Plaskon); a 63% cut in size; a 67% drop in weight; a 25% lower cost.

* * *

Visibility and Cleanliness

BUT not only must merchandise be weighed, it must also be kept fresh and free from contamination such as flies, germs, dust and dirt, if it is merchandise which is perishable. Into this breach stepped cellulose plus modern chemistry and now millions of yards of completely transparent wrapping materials such as Cellophane not only protect merchandise but actually increase sales by making the things they protect more attractive and desirable to the prospective purchaser.

For visibility is, of course, a major factor in many sales arguments, which means that makers of that age-old product—glass—are constantly trying to hold old customers and attract new.

In the last year or two they have devised a product which, while letting in 60 per cent of the sun's light, at the same time intercepts more than 75 per cent of its heat. Not only was there thus achieved the seemingly irreconcilable qualities of admitting light and excluding heat, but it was found that the very qualities in this glass which were responsible for these particular virtues gave it a definite value as a deterrent to flies and other insects. So now we have the answer to the old jingle: "I know where the flies go—."

* * *

Sandwiches and Rubber

ANOTHER development of very far-reaching importance has been the successful experimentation with what might be called glass "sandwiches."

For years, attempts have been made to create a safety glass which would give perfect visibility and yet would not endanger life and limb if it were suddenly smashed. Safety glass is, of course, not unbreakable glass, but it can be made "unshatterable" by the bonding together of two layers of plate glass outside a filler of plastic material such as pyralin or vinyl. Today you can drop rocks or telephone poles on this new product (chiefly popularized by the motor car) and while the glass may shatter or crystallize, it will stay where it is with no danger of flying pieces and splinters.

Glass can also be manufactured now which can be bent or twisted, and will resist enormous pressure and great extremes of heat or cold. And with every such advance the market for this material is, of course, widened considerably.

Equally interesting advances are happening in the realm of rubber. Not only does the $28 tire of 15 years ago now sell for $4.75, but important new uses such as pneumatic tires for tractors have been developed.

Also the application of rubber into all types of industrial uses is significant. Just recently, C. H. Carlisle, retiring president of Goodyear Tire & Rubber Co. predicted it may not be long before rubber is being sprayed on wood and metal (to prevent rust and corrosion) as successfully as Duco and kindred substances are being used today.

* * *

ANOTHER hoary oldster that has taken on an amazing new lease of life in recent years is steel. In 1935 and 1936 the steel industry on this continent will spend, it is said, some $350 millions to modernize old equipment and instal new.

Most of this money will be spent, because, as one writer puts it "The modern world—fickle, glittering, fast-moving—has turned against the massive, the clumsy. It wants things lighter, handier, speedier, so the steel men must spend their hundreds of millions of dollars to meet the demand. Steel is no longer just steel; there are hundreds of steels, each tailor-made to fit a special need. There is a special steel for saxophone frames. To meet the needs or whims of the ladies, steel mills make bobbie pin wires in 450 shapes, thicknesses, widths and finishes. "In 1936," continues this commentator, "the industry stands ready to supply 500 products in 100,000 grades, shapes, and sizes, an astonishing proportion of these 500 products are alloys, unheard of a few years ago."

* * *

Thousand Alloys

AND steel has by no means a monopoly of the alloy field. Robert C. Stanley, president, International Nickel Co. of Canada, estimated recently that there are in world markets more than 1,000 trademarked alloys containing nickel. And Mr. Stanley need not move far afield to demonstrate the new uses opened up by application of these new materials. Thus, the skips which hoist ore 3,000 ft. at the Frood mine have been redesigned in nickeled steel to give a 16 per cent increase in load capacity. With no change in overall dimensions, and with no increase in the size of the cable or of power consumption, each new skip has added more than 400 tons to its hoisting capacity in the 18 hours it operates daily.

* * *

Old and New

ANOTHER metal keeping well on top of the obsolescence parade is copper. Over in Hildeshein, Germany, there is a cathedral whose roof includes copper which has been untouched since it was originally put there in 1320. Its cupolas (which are gilded copper) were erected in 1367. Similar testimonials to the age and longevity of this metal are to be found all over the world, yet scarcely a year passes but new uses and new adaptations of this metal are uncovered.

For example, just recently an electrolytic process has been discovered which, in place of the customary method of rolling this metal in sheets, deposits it in a thin, paper-like film. This product adds extreme flexibility at low cost to the customary excellent qualities of this metal, making it an ideal insulating material for houses and buildings.

* * *

New Walls for Old

AND in the field of building, each day seems to bring its contribution of new materials and new uses for old.

Take for example concrete. For centuries this very universal material has been known to builders, but only recently has it been developed as an architectural medium, capable of startling visual and structural effects, which, for beauty of line, form and texture, and freedom from convention, provide architects with an ideal medium of expression for many purposes.

Another equally important building development is the growth of wall-board of various types. For years, builders have found this material very useful and adaptable to construction, but its development in recent years has been little short of startling. For instance, ways were found to apply a baked-on enamel finish, resembling tile and marble but much more economical to install and use. Then, just a year or more ago, one firm developed a product which is actually flexible, could be sawed and worked like wood, and nailed close to the edge without cracking and is completely fire-proof. In this product integral coloring was used for the first time, eliminating painting and repair problems.

* * *

AND so the story goes. In some industries progress occurs at a rapidly moving tempo. The automobile and the radio are cases in point. In others, as for example, the telephone industry, the introduction of new materials proceeds more slowly but with equally telling effects.

And running through the entire picture is the constant theme that such developments, whether they come fast or slowly, bring with them an ever-quickening story of obsolescence.

Thus, products, machinery, processes and materials, no longer wear out so quickly as they are out-moded and become obsolete by the forward march of progress.

Cradle Parade Next time you pick up the handle of your cradle phone think of phenol plastic. This is the new material used for the comely instrument which is rapidly replacing the old metallic desk set.

Daily Dozen Just one of a score of astounding feats that can be performed on new "safety" and "hardened" glass, which can be twisted, bent or hit, without cracking.

Chemist's Child Such is the plastics industry which has invaded the materials field with astounding success in the past few years. Sales of finished products are estimated as high as $200 millions in 1935.

ONE of a series of articles indicating in practical fashion the amazing opportunities for good business that lie in a programme of rehabilitation for Canadian industry. These forward-looking firms and institutions are making possible this constructive series:

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In The Construction World

Better Outlook For Industrials

WHILE definite indications are still lacking of any large scale expansion in the heavy industrial field of construction nevertheless well-informed opinion is confident. In contrast with huge losses of a few years ago most companies are now reporting substantial improvement.

A typical case is furnished by Hamilton Bridge. The recent annual report states sales for 1935 were up 100 per cent and the company operated at a profit during the last half of the year. The directors added that due to betterment in business generally, they expect this condition will continue throughout 1936.

Such improvement in the outlook for steel and structural companies despite the continued scarcity of big contracts, indicates the field for routine business is functioning. Once a bridge, factory, road or office building is erected, there will be no more immediate outlays on the work for some time, but not for ever. These things become old, parts wear out, new conditions calling for new equipment arise. Modernizing existing buildings and moderate factory expansions due to better business have provided a lot of "bread and butter" for the structural companies in 1935 and, it is anticipated; will provide a good deal more of the same sort of thing in 1936.

* * *

WITH more new building than has been the case for a number of years, and owners of existing buildings in a financial position to take more interest in their holdings, paint and varnish manufacturers expect somewhat of a banner year. Sales are already at the highest point in some time, it is reported, and a sudden and substantial spurt in buying is expected by the first of next month. Regarding the outlook Hardware and Metal states:

> "Canada, in both urban and rural communities, has suffered from lack of proper preservation. People have not been painting their homes nearly so regularly, with the result that today many residences are weather-worn and are almost at a point where serious replacement will be necessary. Another factor which should have a good influence on the sale of paint and varnish products is the improved financial position of many farmers. Paint is required for farm homes, barns and machinery. Farm homes and barns stand exposed all year to the elements. They do not have any protection from surrounding buildings, as houses in the city have."

* * *

THE Dominion government scheme to stimulate housing concerns itself entirely with new construction. Last week The Financial Post pointed out as a serious weakness in the present plan, the fact that no provision was made to cover modernization of existing building. That there is very real lag here as well as in new homes is verified by the Port Arthur News Chronicle which states:

> "Doubtless there are many people in Port Arthur who would be glad to build were reasonable facilities offered, because home building here, as elsewhere, has been lagging. At the same time the fact cannot be overlooked that there are still a number of available houses for rent. This would seem to suggest that new homes are not required but further investigation would make it plain that most of the presently unoccupied houses are in need of considerable repair. That, indeed, is the case with many others that are occupied.
>
> "While, therefore, there may be some question about the necessity for more homes, there can be no question about the necessity for improvements and repairs. There are literally hundreds of homes in Port Arthur on which sums ranging from $500 to $2,000 could be advantageously spent in repairs or in modernization. This in itself would provide the much to be desired relief of unemployment."

* * *

SOUND business is built up on mutual satisfaction. Both the buyer and the seller must be satisfied.

Housing booms in the past have not always been graced by this fundamental factor. As a result there are many disgruntled buyers in Canada today. A step in the right direction is seen in the action of mortgage companies, co-operating under the Dominion Housing Act, in making periodical inspections while houses are under construction.

In the old days such inspections were left almost entirely to the municipal authorities. But the latter were only interested in maintaining elementary fire and structural precautions. So long as the dwelling was not a fire trap and would withstand ordinary wind pressure they appeared to be satisfied.

Apparently they were not concerned with ventilation, fuel consumption, insulation, convenience of layout and other things which combine to make a satisfactory home. Neither were they interested, apparently, in the durability of the materials which went into that building and upon which depends its value as an investment. But such factors are vital to the family occupying the dwelling and to the lending institutions, holding the mortgage.

Ontario Radio Sales

Forty-one per cent of the sales of radio receiving sets in Canada last year were made in Ontario, or a total of 78,698 sets out of a Dominion aggregate of 190,289 sets.

Skyscrapers

New Building Hopes Deferred Until Next Year But Expect Much Modernization Immediately

What of new business building?

Aside from government structures prompted largely with the idea of providing unemployment relief, construction authorities interviewed by The Financial Post recently, labor under no illusions of any large scale expansion in Canada this year. They are hopeful, however, of considerable spending on modernizing of existing buildings and some extensions. True there are some fairly big private contracts in view, such as the Toronto Stock Exchange building which is to go up in a few months. But in the main, no big development along this line is expected much before 1937.

Stage Not Set

Past experience indicates this type of construction, which embraces chiefly office buildings, but also includes railway stations, postal buildings, banks, hospitals, etc., usually reaches a climax toward the end of a business boom, rather than at the beginning. This type of construction, for instance, reached a peak of nearly $200 millions in Canada in 1929. In 1928, on the other hand, it was only slightly more than half that. Even after the crash such construction continued to be carried on, on a considerable scale. A total of over $150 millions was included in 1930 and over $80 millions in 1931. By 1934 it had shrunk to around $40 millions, and there was not much improvement in 1935.

Follow United States

Authorities point to United States as an example of what may be expected in Canada. This country, it is stated, usually lags from one to two years behind the big republic in the matter of this kind of construction. Already in United States are signs of a revival in business building. So far, however, this has been confined largely to modernizing existing office buildings. New elevators are being installed as well as newer lighting, ventilation and heating equipment. It has been found profitable by many landlords to spend money on paint, and more adequate wiring.

Renovation, usually embraces new fronts and entrances and sometimes complete new facing. Such business became active in United States last year and has continued on an increasing scale into 1936. In some of the larger and faster growing cities, already completely new office buildings are being contemplated. This trend is expected to be followed in Canada.

Occupancy Up

With rentals at a better level than in the last five years, landlords are reported to be again showing interest in improvements. Ordinarily 90 per cent occupancy in an office building is considered normal. In Montreal Toronto, Winnipeg, Vancouver and other large Canadian cities that figure is now being approached. Observers estimate that compared with a vacancy of close to 20 per cent in some of the larger buildings a few years ago this spring sees that figure reduced to under 12. This is a general average only. In some cities occupancy is much higher and already new building plans shelved in 1930 are being taken down and dusted off.

No Dearth of Money

Construction authorities emphasize there is no dearth of money for new construction but some uncertainty about tenants. They also continue to report a lack of confidence in regard to long time investments in general. But they point out that there are certain fairly definite steps that may be expected to precede actual large scale new building. These are summarized as follows:

Necessary steps

First — Occupancy of existing buildings must rise to normal, that is 90 per cent.

Secondly — Existing rentals must rise to more profitable levels.

Finally — Existing building must be modernized or scrapped.

Then, it is stated, the stage will be set for a revival in skyscraper construction.

While conditions vary with the different cities, most observers agree that on the whole Canada today is somewhere between the second and third stage.

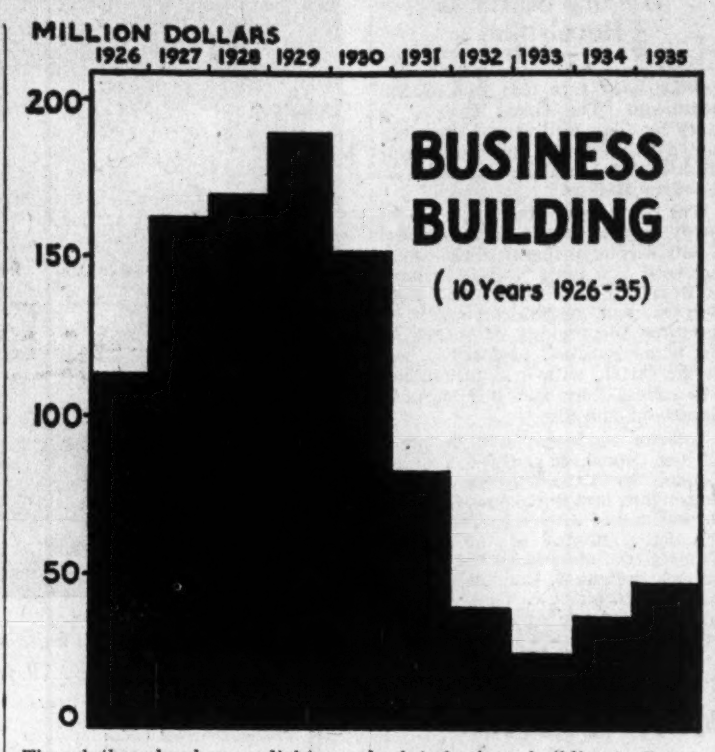
Stage Getting Set

Available space in desirable office buildings is being taken up. Business, which during the worst phases of the depression either contracted space or moved into cheaper quarters is now beginning to reverse the process. Coinciding with this expansion has come a firmer tendency in rents, though this still seems more of a tendency than an actual fact.

With hint of higher rentals, however, tenants may be expected to demand more in the way of accommodation. They will want better lighting, better heating and quicker elevator service. It is such a development that is expected almost immediately, quite probably this summer.

Already some of it is in evidence. Getting into the smaller type of business building, such as stores and theatres modernization is already in full swing. In another field, that of apartment houses, it has already started. The next step, it is believed will be a similar swing to some of the older but still good office buildings. These it is pointed out, can, with fairly moderate expenditure, be put into first class rentable condition for another 10 or 20 years.

And finally, after this phase has passed will come the erection of brand new space for office workers, most likely on the sites of outdated buildings erected early in the century.



Though there has been a slight comeback in business building in Canada from the low point reached in 1933, this type of construction still lags far behind the heights reached in the 1926-30 period. Under the classification of business is included office, bank, hospital and public buildings.

TALK SALES PLANS

Sales plans for the 1936-7 season will be revealed to Philco dealers and distributors aboard ship again this year. The convention cruise itinerary, as far as Canadian delegates are concerned, begins in New York May 15, thence by special train to Washington for a bit of sightseeing, and then to Miami where a day-and-a-half stop-over is arranged. From Florida to Cuba by plane brings the Canadians to a Havana meeting ground with the United States delegates. After a stay in the Cuban capital, the combined forces leave on the Monarch of Bermuda for New York. The sales convention will be held aboard on May 19 and 20.

See Air-conditioning Increasing Patronage

Important Drawing Card in Hot Weather for Theatres, Restaurants and Beauty Parlors — New Units Designed

Proprietors of beauty salons, restaurants, dress shops, and other retail business concerns and theatres where there is a large or fastidious patronage are reported greatly interested in the latest developments of air-conditioning. Approach of warmer weather has accentuated this interest. Not only has the installation of air-conditioning demonstrated its ability in such cases, but it is also said to be a growing factor in real estate sales. Potential tenents and purchasers of private houses are beginning to demand a more modern type of heating and cooling.

New Units

New practical systems, comparatively inexpensive, have been devised to meet these special conditions, according to engineers of Canadian General Electric Co. Installation of air-conditioning equipment has stimulated business, customers being quick to note the difference. Especially is this so during seasons of extreme temperature, such as are experienced during the spring weather just ahead, the very hot days of midsummer and the opposite kind of weather in winter.

Attracts Patronage

Often in the larger cities where there are a large number of shops offering practically the same service and values, the fact that one is air-conditioned and therefore permits shopping in comfort may just be sufficient to switch transient shoppers in that direction, it is reported.

Necessary alterations for the installation of air-conditioning are claimed not extensive. Neither are costs either of installations or maintenance. Many people still do not realize that complete air-conditioning equipment can be installed to function with the present heating system, whether it be hot air, steam or hot water, nor that much of the same equipment can be used to cool the building during the hot summer months.

Considerable interest, it is reported, has been aroused among small householders who desire some quick and cheap means of modernizing their present heating system. In the case of hot water heating, the water pipes are usually replaced by ducts and grilles take the place of radiators. While there is no confirmation, it is possible that the recent shipment of scrap iron to Europe under the label of nickel may have consisted of such cast-off equipment. At any rate, this might be considered a potential market for such replaced equipment.

No matter what the type of air-conditioning installed, the principle is the same, whether the furnace be of the hot water or hot air type. An outlet is placed so that fresh air may be drawn in, passing through a filter which removes all dust and dirt particles. After heating, the air is passed through a humidifier where it takes on moisture and is then sent through the ducts into the room which it serves.

See Spring Pick-up

Builders and equipment people anticipate a considerable business in this mode of renovation in the next few weeks. They point out it is advisable the changes be made at the time when any other renovation is planned, so construction changes take place before the walls are re-papered or painted.

Complete air-conditioning units are now on the market which may be attached to the ordinary hot air furnace. In this case there is practically no change in the upper stories, as the humidified air passes through the existing pipes into the register. Only a few additional cold air return pipes are required.

Single Offices

Smaller air-conditioning units are manufactured to care for single rooms or offices, and may be installed in any steam-heated building by attaching them to the radiator outlet. To any of these units the summer air-conditioner may be added at some later date, so that the rooms are not only heated and humidified in winter but are cooled and de-humidified in summer as well. It is stated that much of Canada is fortunate in its summer climate, as the ordinary water supply in most cities is of sufficiently cold temperature in the summer to make the placing of ice or refrigerator equipment in the cooling system unnecessary. Particularly is this true of the Great Lakes.

Advantages

The advantages of air-conditioning are well known. The humidified air in winter in addition to providing increased comfort also prevents the skin from drying and cracking. With dust and dirt removed from the air walls do not smudge, curtains do not soil as quickly and housekeeping and cleaning work is materially lessened. The addition of moisture to the heat prevents furniture cracking from the dry steam heat. In a room so regulated it is not necessary to open windows, and drafts which often cause colds are thereby eliminated.

Houses Scarce But Money Too

Regina Architects Pessimistic Regarding Financing New Bldg.

While agreeing on a housing shortage of fairly large proportions, Regina architects seem dubious of where the money is going to come from for such construction.

"There is more building talked about than for the last five years, but whether it will materialize is another question," stated J. H. Buntin. W. G. Van Egmond, another architect, is quoted as saying, "We are thoroughly in favor of the Housing Act, but the difficulty is that the loan companies are not lending the money."

Most of these architects agreed that probably a fairly large-scale expansion in modernizing existing buildings would precede any general revival in new construction in Regina.

Wood-destroying Insects Cost U. S. $50 Millions

Canadian building owners may have to hand out more money for winter fuel than is necessary in the United States, but they do not have to foot a big annual bill for termites.

These little wood-destroying insects do not less than $50 millions damage annually across the line, it is estimated. But it is also estimated new construction can be protected at a cost not to exceed two per cent of the initial investment.

Building Active States Vancouver

New construction seems to be off to a good start in Vancouver. For the first three months of 1936 this totalled $1.8 millions, as compared with $1.5 millions for the same period in 1935, and almost a quarter of a million in 1934. Exactly 650 permits were issued for the first three months of the present year, as compared with 565 in 1935 and 446 for the first quarter of 1934.

Some 300 permits were issued in March, covering building valued at $356,000. This compares with 225 permits for March, 1935 and $168,000. Residential construction leads.

Building in U. S. At Five-year Peak

March building permits in United States were highest for any month since September, 1931. Gains were shown in practically all areas with the exception of the south central states.

Total building permits for the first quarter of the current year have been the highest in five years. A total of $185 millions, compared with slightly under $100 millions a year ago and only slightly over $50 millions for the first three months of 1933.

The biggest gains were shown in New York, Los Angeles, Houston, Texas, Detroit and Washington, D.C.

M.&O.Paper Settles Suit

Outlook Better But Reorganization Still Indefinite

Adjustment of lawsuit for $7 millions between Backus-Brooks Co. and Minnesota & Ontario Paper Co., in bankruptcy, had been carried out with court approval.

The suit is withdrawn, surrender having been made of 49,349 shares of preferred stock of Great Lakes Paper Co. to the plaintiffs, Backus-Brooks Co. and Kenora Development Co. The plaintiffs have given their promissory note for $6.6 millions to the trustees for M. & O. Paper Co. and can discharge the note by turning over to the trustees shares of stock in M. & O. Paper Co.

Opening For Reorganization

Trustees for M. & O. Paper Co. report to the U. S. District Court, Minneapolis, that adjustment of the suit is believed to be "an outstanding accomplishment in clearing the way for the development of a plan of reorganization of the debtor company and of its subsidiary companies."

Brief quotations from the trustees' extensive report to the court are supplied in a letter to bondholders from Harry R. Mosser, secretary of the committee for holders of M. & O. bonds.

On the question of reorganization, Mr. Mosser states: "The time and character of a reorganization of Minnesota and Ontario Paper Co. will depend to a very large extent upon lasting improvement in conditions in the newsprint industry, as well as in the other fields in which the company and its subsidiaries are engaged." The committee, he states, has given attention to the problems of reorganization in order to be prepared to devise a plan when conditions justify it.

Trustees Report Improvement

Mr. Mosser quotes the report of the trustees as stating, in part:

"Contracts for the sale of newsprint expiring at the end of 1935 were satisfactorily renewed.

"During November and December the volume of orders increased to a large extent and the rate of paper operations became the highest in the company's history. December orders were in such amount as to necessitate outside purchases in substantial amount.

"Sales of kraft paper continue in substantial volume with noticeable betterment of prices."

"Plant improvements undertaken in 1935 are now practically complete. Economy and ease of operation are measurably better and the number, volume and variety of products that can be offered in all lines has been increased.

Improved results are reported on a moderate scale in other fields of operation including the insulite plant in Finland.

Litigation over tax claims continues. State of Minnesota claim for $1,784,000 was settled in trial court for $300,000, but another trial is expected.

Sale of properties on Isle Royale to the State of Michigan is expected to be completed shortly. The price, however, may be less than the $312,000 originally mentioned.

Comparative earnings, showing slight improvement in 1935, appear on page 15.

Better Outlook Seen By Disher

Construction Company Head Sees Recovery Getting Under Way

"Progress toward more favorable conditions in the construction industry generally, which is long overdue, appears to be brighter than for some years," Clark E. Disher, president of Disher Steel Construction Co., of Toronto, states in his report to shareholders. "The company's position so far this year has improved over the same period of last year, and enquiries are more numerous and substantial. The most gratifying feature of the situation is that prospects are almost entirely from private sources and industrial concerns."

After four years of continuous losses, Disher Steel reports an operating profit for the year ended Dec. 31, 1935.

(For details of company earnings see page 15.)

New Industries

The Toronto Industrial Commission reports that:

Stanley Mfg. Co., Ltd., makers of etched metal plates and signs, metal and foil labels and seals, Queen St., has purchased the business of Bastain Bros. Ltd., Cobourg, Ont., makers of celluloid products. The entire equipment of the Cobourg plant has been transferred to Toronto.

* * *

McAllister Tobacco Co., Ltd., has leased two floors in the Watson bldg., Sorauren Ave., as a tobacco blending plant, using a large quantity of Canadian-grown tobacco.

* * *

Rok-A-Car Co. of Can., Ltd., has arranged with W. D. Beath & Sons, Ltd., Symington Ave., for the latter concern to manufacture Rok-A-Car equipment, which is used by garages and service stations for lubricating purposes.

* * *

Don Valley Paper Co., Ltd., has awarded the general contract for a $10,000 addition to its mill on the Don Valley Road.

* * *

G. H. Wood & Co., Ltd., manufacturers of liquid soaps, etc., will entirely rebuild their large plant at 736 Dundas St. E., recently almost entirely destroyed by fire.

* * *

North Battleford Foundry, North Battleford, Sask., commenced operations in March and is equipped to handle all types of iron casting and to do iron repair work. (North Battleford Optimist).

* * *

Wetherhead Co. of Can., Ltd., head office in Cleveland, Ohio, will open a branch in Windsor, Ont. This company manufactures gasoline- and oil-proof flexible hose, choke controls, draincocks, tube fittings, etc. (Windsor Star).

Made Vice-President

E. A. GOODEVE

Who has been appointed vice-president of The F. H. Hayhurst Co. Ltd., advertising agency, Toronto and Montreal, in charge of the recently opened Montreal office.

What's What In Advertising

By TORY FLEMING
Editor, Canadian Advertising

Lipton's Tea spring campaign will be released shortly by Vickers & Benson, Toronto, featuring a contest for readers. The campaign will be confined to dailies in Ontario and Quebec.

* * *

The spring campaign of the Paint and Varnish Division, Canadian Industries Ltd., will use a selected list of trade papers, in addition to daily newspapers. It is being released by the Toronto office of Ronalds Advertising Agency.

* * *

Beginning immediately Hudson and Terraplane cars will be featured in a testimonial campaign covering principal cities. Copy will appear in dailies, and weeklies in some cases, carrying a statement from a Hudson or Terraplane owner resident in the city in question telling his experience with his car. It will appear over the name of the local dealers. The campaign will run throughout the spring and early summer and will cover 60 centres two or three times a month. In addition, special spring showings will be announced in another campaign to run in the larger centres only. It will feature new convertible models and additional colors now available in the Hudson-Terraplane range.

* * *

Advertising for Buckingham cigarettes, formerly confined to Eastern Canada, has now been extended to western newspapers.

* * *

Baker Advertising Co., Toronto, is now releasing a new campaign for Grape Nuts Flakes, a product of General Foods Ltd., featuring Joe E. Brown, motion picture comedian. Created in comic strip style, copy features Joe in various imaginary adventures with groups of children. A membership pin is offered to children to indicate they are members of the "Joe E. Brown Club."

* * *

The Carnation Co. Ltd. is co-operating with showings of the "Country Doctor" across Canada by featuring the motion picture in daily newspaper copy, coincident with its appearance in local theatres. In return, the theatres are placing Carnation displays in lobbies. Baker Advertising Co., Toronto, is placing the copy.

* * *

Steamship companies and their advertising counsellors have hit upon an apparently effective scheme of "personality" advertising.

"Captain Rennie welcomes you aboard the S.S. Athenia to Britain," is the slogan used by the Donaldson line in its advertising in Canadian newspapers. Adorned with a picture of the bluff sea-dog, magazine advertising by steamship companies goes even farther, and in a brief résumé paints the highlights of the captain's career and exploits as a sailor.

"DOMINION" Steel Castings
for every purpose

In Any Alloy, Including Manganese Nickel, Chrome Vanadium, Chrome Nickel, Molybdenum

Any Weight, from 1 pound to 100,000 pounds.

Skilled control of manufacture ensures your satisfaction.

DOMINION FOUNDRIES AND STEEL LIMITED
Hamilton Canada
STEEL PLATE STEEL CASTINGS

A Complete Service

These conveniently located offices of the Company are equipped to give the most complete service available in gypsum and lime products, to the architect, builder and home-owner.

Gypsum, Lime and Alabastine, Canada, Limited
PARIS, ONTARIO, CANADA

— Branches —
MONTREAL—905 University Tower
TORONTO—701 Federal Building
WINNIPEG
VANCOUVER—509 Richards Street

SILENT GLOW
TRADE MARK REG. IN CAN. AND U.S. PAT. OFF.
AUTOMATIC OIL HEAT
MODERNIZE WITH ECONOMY — MORE HEAT PER GALLON
Oil Burners for Apartments, Factories, Hot Water or Steam Supply, Stoves, Heaters.
MACDONALD METAL PRODUCTS Co. Ltd. Waterloo Que.
Over 300,000 in Use Established 1919

RUSSELL CONSTRUCTION COMPANY LIMITED
GENERAL CONTRACTORS
Buildings, Bridges, Marine Work, Foundation Specialists, Valuations
504 HARBOR BUILDING TORONTO, ONTARIO
Adelaide 1073

DOMINION BATTLESHIP LINOLEUM
A CUSTOM-BUILT FLOOR FOR A JEWELLER
Individuality pays! Give YOUR store distinction by installing a smart, custom-built floor. With Dominion Battleship Linoleum, available in 19 different colours and effects, including marbles and jaspés, any design or symbol reproduced, faithfully.
SURPRISINGLY INEXPENSIVE
Consult a specialist; your house furnishing store or a floor covering contractor will gladly submit designs and prices for a new, custom-built Dominion Battleship Linoleum floor.
DOMINION OILCLOTH & LINOLEUM CO. LIMITED MONTREAL

Brakes on Building

Skimped Building and High Financing Blamed for Throttling Construction—Architect Speaks Frankly

An Expensive Dam

While volume of residential construction showed some pick-up in 1935 it was still only about a third of that prevailing in the 1927-1930 period. In the last four years it has been at a low ebb.

What has been responsible for the decline?

The natural answer is, the depression. But Gordon M. West, prominent architect and president of the National Construction Council of Canada, is not so easily satisfied. In the accompanying interview he cites jerry building, second mortgages and taxes, and in his opinion explains what must be done before the way is cleared for full steam ahead in this once major industry.

Critic

GORDON M. WEST, F.R.A.I.C.
Toronto architect, author of the article on this page criticizing conditions affecting purchases of houses in Canada.

Is it worth while to own a home?

The answer is given by Gordon M. West, prominent Canadian architect, who is president of the National Construction Council of Canada.

Says Mr. West, "It is sound and valuable from the point of view of public policy for people to own their own homes and it has come to be regarded as a virtue for a citizen to do so."

Dissatisfaction Evident

If that covered the situation the problem would be a simple one. "But," says Mr. West, "that there is dissatisfaction with the result of being a home owner has been evidenced to any observer. Some of the reasons are over-loading of realty with taxation, realization of the way in which a home owner's freedom of adjustment to changing circumstances is interfered with by his commitment, and other reasons which are not so well understood."

Residential building, says Mr. West, is in dollars and cents the largest single item of construction, including engineering. It touches the everyday life of the population closely.

Speculative Building

"Yet I think," Mr. West adds, "it is fair to say that the larger portion of residential building is initiated and erected by that section of the building industry which can hardly lay claim to being the best qualified for the purpose." Mr. West believes it is neither qualified from a technical or a financial standpoint, but that the home building section of the industry is apt to build for sale at as great a profit as the market will stand. Residential real estate has a speculative background, equally as bad or worse than that of the security markets of 1929 — "although one hears little of it," Mr. West asserts.

It is said in some structural circles that the first requisite of a successful speculative builder is a blissful, technical ignorance. Like most generalizations, it is, of course, not wholly true, but it is true that technical advance allows one to light-heartedly sell inferior capital goods to the unsuspecting purchasers who do not find out what has happened for many months or even years.

"We are fond of boasting how many people own their homes in Canada," Mr. West says. "In reality, the mortgage lender probably has a larger financial interest in the homes that are not owned outright than the supposed owners. It is probable that the mortgage lender should be taking greater care as to what goes into residential building, since undoubtedly he will continue to have this larger interest in them for some time to come."

Who Are The Buyers?

Young couples starting with high hopes for success and consistently increasing earnings are among buyers of homes in Canada. Their hopes, statistically speaking, are far from being always justified, and on the average they achieve only a more or less fixed salary income which does not increase rapidly after early years. But expenses do. They assume a mortgage, Mr. West points out, probably with a highly reputable company which has spent years convincing the public that it should look after their savings for old age. "Evidently not the sort of company which would lend money to an extent that would make it difficult to pay off," remarks Mr. West.

"Analyzing further," says Mr. West, "now let us take a look at the setup. One item in all likelihood is a second mortgage, a goodly proportion of which is in a sense 'watered stock.'

Built to Sell

"There has been a great concentration on selling the new house rather than on low maintenance charges. For example, a-size-too-small-furnace will save some capital expense and does not seem to affect original selling value. It may even heat the house if enough fuel is put into it at an annually increased cost. Insulation and caulking do not show, and little of either can be used for a lot of talk. Yet, lack of insulation and caulking can result in materially increased annual charges for upkeep."

Too much glass in the sunroom and too few cinders in the drive, too little lime in the plaster and too much wood to paint, are among the other tricks of the trade, cited by Mr. West as recurring items which unsuspecting young couples may have to pay out of a usually more or less fixed and restricted income. This, before they get around to reducing the mortgage which they have assumed, largely on hopes.

"An extra half of one per cent on the mortgage interest produces a larger loan and requires less of the speculator's money," declares Mr. West. "It is not such a great selling handicap, but the difference per year is something for the man of fixed income to think about in connection with the eventual cost of his house. It is surprising how much all these things cost a home purchaser before he has finished paying for them, and how little these affect the 'selling value,' having in mind how much the cost means over the long term to the average man."

Speculative Background

"The speculative background to realty house finance has something to do with the 'saleable value, being such an important consideration in appraising for a loan for the first mortgage. The technical soundness of a house is apparently a minor consideration in many instances, as is the secondary financing.

"This background and this irresponsibility in lending have certainly affected the building trade. It is to a great extent responsible for a credit situation which is deplorable, and the conditions wherein the contractor and supply man of a sound character have been and still are severely handicapped by the facility with which their less sound competitors can finance," Mr. West declares.

"Sound and solid supply men use lurid language over this situation and reports are that lenders have had to join trade credit bureaus where they can be supplied with information regarding the trade credit of the builders through whom they are loaning.

"It is claimed that in many cases, while all necessary investigations to protect the mortgagee are made, lenders do not avail themselves of this information. The result is that loans are made which, though sound from the mortgagee's view, are in the beginning made to parties whose record for paying trade bills is far from good."

Building Societies

It has frequently been suggested that Canada should have building societies.

To Mr. West it seems, however, that advocacy of building societies under existing conditions in Canada may be something of a red herring to reduce immediate action in regard to housing loans until some improvements take place in the moratorium situation, in artificial building costs imposed by legislation and other and, perhaps until interest rates stiffen.

"Officials of lending companies know that building societies with their long-term and large percentage of value loans, vast experience in assuming risks over the long terms and other factors improve the situation of the house purchaser," Mr. West says.

"Also, insurance companies are very open in their desire to have the custody of the people's savings, and it hardly seems likely that they would welcome competition for that privilege.

"Is it not more logical," Mr. West asks, "that they should wish to retain custody of the people's savings and that they must, if they are to do so, perform functions of the building societies in England and play fair with the home buyers?"

Dominion Housing Act

"It is difficult, however, to see how this can be done permanently without some revision of Canadian ideas as to the use of a 60 per cent valuation for first mortgages. It may be that the present housing act will lead to rather sweeping changes in house building finance and that this explains some of the original hesitancy observed in the pushing of it.

"Statistically, it is clear that the average realty purchaser is fortunate if his earning ability will allow him to eventually overtake his obligations. It is clear also that if lenders continue to insist on perpetuating a system which makes it unnecessarily difficult for the average man to meet his commitments, Canada is headed for trouble."

Over-emphasis of "saleability" as a basis for realty finance leads to other difficulties in the building situation.

In Toronto, for example, Mr. West points to a complex that a detached house is more desirable than an attached one. In small houses, this is technically and economically unsound, he declares.

Attached houses are cheaper for the same accommodation cost, and expense for heating and other maintenance is lower. If laid out on wider and shallower lots, unobstructed wider spaces obtain greater privacy without necessarily precluding cost price. A man who lives in one has a greater chance of meeting his obligations than if he lived in a detached house, Mr. West declares.

Taxes Chief Offender

"But in my opinion, the key log in the jam which is preventing the natural flow of water of prosperity through the construction trade is the realty tax situation," Mr. West asserts. This aspect of the situation is probably as important as any other in connection with construction, and correction of the realty tax ills would go far, Mr. West feels, to solve Canada's chief unemployment problem.

Need Close Inspection In Buying Country Home

Business executives who feel the spring urge to acquire a country estate, might be well advised to take a leaf from the book of the practical farmer and commence making their enquiries at this season of the year.

Early spring, according to the hard-headed agriculturist, is the proper season to make selections of rural holdings. Now that the snow has gone and before nature starts to adorn herself in leafy foliage, the would-be buyer is able to make ample observations. True, the country is rather drab in April, and the roads are by no means at their best, but one has the consolation of knowing conditions will never be more unattractive in this respect.

Accurate Appraisals

Accurate estimates, too, can be made of soil, condition of trees, drainage and other important factors. The state of buildings, fences and other equipment can be appraised. It is the natural season of the year for migrations, as a little later the present owner will probably be too busy with his spring work and plans for the coming season to talk of selling.

Construction Problems

The opinions of owners of adjacent country estates are invaluable. Certain factors taken for granted in the city are an unknown quantity ten miles from town. Sewers, water supply, electric, gas and telephone facilities may be non-existent. All these conveniences can be provided but usually one must be prepared to make additional special outlays for their provision. Skilled labor for construction of buildings is not always available at first hand in the country.

In buying rural real estate it is even more essential than with urban property that sufficient time be taken before any actual commitment. Country property does not move as readily as high class city real estate, and once purchased the owner is quite liable to find himself with something in the nature of a frozen asset.

Here again, the practical farmer's habit of taking a cheap option for a year or two, or perhaps renting, offers a hint. Even when armed with a great variety of experts, it is often impossible to know just how the property will develop under unusual conditions unless one makes several inspections at different times of the year. But final choice in any case should not be made until the place is seen in the early spring.

Summer Cottages

A little later on, when the roads become firmer and it is possible to make longer excursions into the country, will be the proper time to select sites for summer cottages. If lakefront property is desired, one very important factor to keep in mind will be the permanent water level along the beach on which one expects to build. One is liable to come up against water power projects, where dams and other devices hold surplus flow back until the dry summer months. Levels rise and fall as much as a dozen feet on some of the inland waters, and a beach that may appear particularly desirable in early May may look like a junk yard later on when the power houses, perhaps miles below, are drawing on extra water. These changing water levels, of course, are quite likely to seriously interfere with bathing facilities, an especially important point where children are concerned.

Water Levels

Changing levers, too, may seriously interfere with water supply and sewage disposal. As for docks and boat houses, these, of course, must be arranged to suit both high and low water during the summer season.

Without more than a casual inspection, the prospective owner, too, knows little about prevailing winds, fishing, mail and telephone and electric facilities. Those persons who are usually most satisfied with their purchases are those who have made frequent trips and become fairly familiar with the locality before committing themselves to actually make purchases.

Maritime Gypsum Plans Active Year

Operators Expecting Increase in World Demand

From Our Own Correspondent

Windsor, N.S.—Gypsum operators in Nova Scotia, preparing for the 1936 season, hope for considerable increases in the market demand, The Financial Post was told by leaders of the industry, during the course of a survey. This town is the principal port handling gypsum exports from Nova Scotia which finds its major markets in New York, New Jersey, in the Quebec-St. Lawrence region and in England.

The big year of all time for Nova Scotia was 1929 when about one million tons were exported. The low year of recent times was in 1933 when only 300,000 tons were sent out. Since then the increase has been gradual. The Canadian Cement Co., one of the industry's biggest customers, uses the mineral as a retarder in cement. At present there are eight distinct operations in Nova Scotia, with a new plant of 500,000 ton capacity being erected at Little Uarrows, Cape Breton, The largest operation is that of the Canada Gypsum Co. at Windsor, a subsidiary of the United States Gypsum Corp.

Can. Fairbanks-Morse Changes Personnel

From Our Own Correspondent

MONTREAL.—Charles J. Brittain has been elected president of Canadian Fairbanks-Morse Co. succeeding Thomas McMillan, who has been elected chairman of the board. Mr. Brittain joined the company in 1901 as manager of its branch in Toronto, was transferred to Winnipeg in 1910, as manager of prairie branches and in 1920 was elected vice-president and general sales manager of Montreal.

F. W. Miller, formerly manager of the prairie branches of the company, succeeds Mr. Brittain as vice-president and general sales manager.

Epic of C.P.R. To Be Filmed

Production of Railroad's History Starts at Revelstoke

Canadians will be greatly interested in the fact that filming has begun on "The Great Divide," a story by Alan Sullivan of the pioneer days of the Canadian Pacific Railway. It will be directed by Geoffrey Barkas.

The first production unit is already in Revelstoke, B.C. George Busby will be in charge of the establishment of a huge "location camp" at Revelstoke. It is said that 2,000 players and technicians will be used for the making of scenes on the actual original permanent way of the C.P.R., with original engines and rolling-stock specially reconditioned for the film.

Interior sequences will be made at the Shepherd's Bush Studios, London, by Richard Arlen. Then a larger film unit will come with Mr. Barkas and Mr. Arlen to Canada for the actual filming of the picture. Other actors already on the spot in Canada include S. Bonnett, E. Deacon, and D. Marlow. They are designated in movie parlance "B. Unit on Canadian location."

In the end world distribution is expected for this film.

More Activity In B.C. Lumber

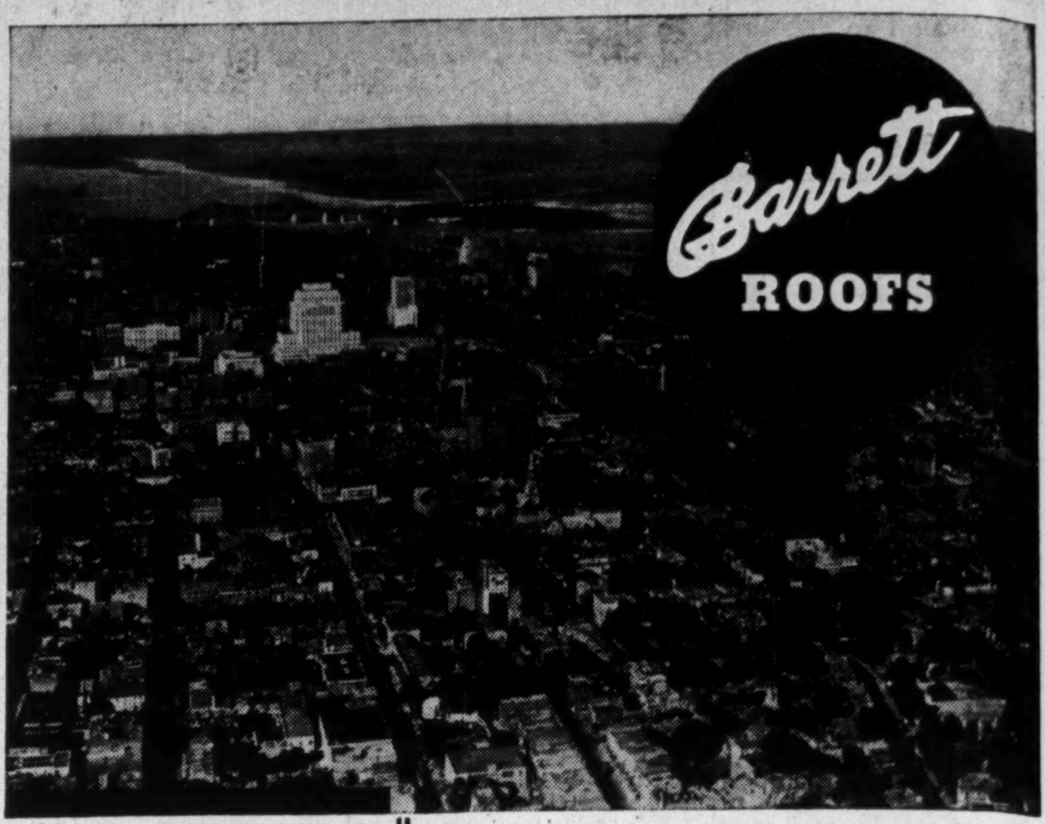
Opening of U. S. Market Expected to Boom Exports

From Our Own Correspondent

VANCOUVER. — The next four years are expected to be among the best experienced so far by British Columbia's all-important lumber industry.

The general feeling is that building activity will increase from now on in the United States, where a big market has been reopened by the reciprocity agreement, and that prices will show a corresponding advance. Already the prices obtainable in the United States are about 20 per cent higher than those received in the British Isles, which continue to be a major outlet for the product of B. C. sawmills.

Opposition by American lumbermen to the re-entry of Canadian lumber has largely subsided because of the recognition the Canadian quota will affect only about 5 per cent of the American market and that ownership in British Columbia timber and mills is largely international anyway, with U. S. interests controlling some of the biggest operations. One of the most important contributions to recent logging activity has been the recent opening up of a huge tract of timber on Vancouver Island owned by the Rockefeller interests to be milled largely by Victoria Lumber & Manufacturing Company, controlled by the Weyerhaeusers, famous American lumber group.



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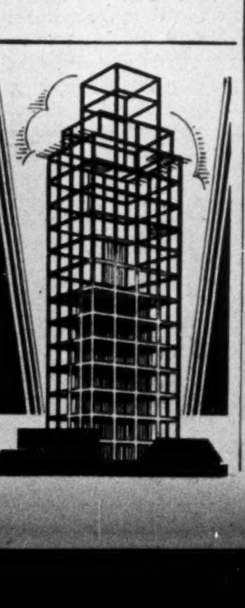

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THE FINANCIAL POST

SECOND SECTION

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May Place Implements On Free List

Price Increase Probe Confirmed as Negotiations Break Down

SPRING SALES FLOP

From Our Own Correspondent

Fear of a further cut or even elimination of the tariff on U. S. farm implements, plus the spectre of a parliamentary probe has spoiled, if not shattered, spring prospects for domestic business of Canadian implement companies such as Cockshutt Plow, Massey-Harris, and the International Harvester Co.

Orders Fall Off

"Our domestic orders fell as much as 75 per cent when the news of a parliamentary probe developed," a leading manufacturer told The Financial Post. "We expect, however, that much of this business will be regained at the last minute, although it will make a heavy rush.

"We have absolutely nothing to fear as far as the probe is concerned," said this executive. "We are proud of the efficiency of our plant and of our business, and we will, of course, give the investigators every bit of information that they seek. It does seem very unnecessary and extravagant, however, to duplicate everything which was done by way of investigation only a few months ago at the Price Spreads enquiry.

Customers Warned

"For months we warned our customers that prices which had been maintained at the low point of the depression could not be depended on, but our inventories on many lines were exhausted and we were forced to purchase new raw materials at the considerably increased prices which now prevail.

"Within the past two years, there have been at least three price increases in the United States in respect of farm implements—one in 1934 and two in 1935. Prices of all products to foreign markets have also had to be marked up, with increases as high as 10 and 11 per cent. The increase in Canada which was delayed until this year amounted to but two or three per cent, and affected only a certain number of our lines.

Collections Poor

"Last year we collected only 16 per cent of the amounts owing to us from the sale of our implements, and with over $3 millions of outstanding accounts it is essential that a fair price be maintained, as we cannot carry the Canadian farmer indefinitely, although we try to do our best for him."

Deny Repetition

From Our Own Correspondent

OTTAWA.—While neither denying nor confirming the rumor of a further cut in implement duties, members of the government committee appointed to investigate the implement industry deny that their probe will simply be a repetition of the Price Spreads enquiry. In his suggested programme for the probe R. T. Graham, counsel for the parliamentary committee states: "It is rather remarkable that there does not appear to have been made at any time a complete and thorough examination of the farm implement industry by any public body."

Mr. Graham's report to the committee claims that the Price Spreads enquiry did not go far enough, that the export end of the business was not included, and that the auditors' reports were too limited.

Complete Check-up

A general check-up of the whole industry from the purchase of the raw materials to the laying down of the finished implements both in the domestic and foreign market is contemplated.

Side by side with an investigation of the companies will be a presentation of the farmers' position with price levels of implements and products over a given period compared. Some question has been raised as to whether improved production as a result of new machines has been of sufficient value to the farmer to equal the increased cost of such machines.

Following consideration of Mr. Graham's report by members of the committee representatives of the implement companies were invited to Ottawa last week.

Probe is on

Negotiations extended over several days. The committee members, it is understood, desired the manufacturers to suspend 1936 price increases, at least pending the outcome of an enquiry. But the manufacturers appear not to have found this proposal acceptable. The plan was to suspend the higher prices while ways and means were discovered to make them permanently unnecessary. This might have been done by budgetary action. Tariff on raw materials used by the industry might have been reduced, or concessions granted on Federal taxation.

The conference did not end in complete disagreement. The manufacturers, it is learned, will think the matter over and give a final decision later. But little hope is held here of any change in the direction sought by the committee.

May Put on Free List

Meantime the enquiry is being organized on a wide front. An exhaustive questionnaire is being framed along the lines of the Graham memorandum. When answers have been received, test audits will be carried out by the committee auditor. Farmers are being invited to send in their views as to the efficiency of the industry, its method of doing business, etc.

The provincial governments have been asked, through their agricultural services, to test comparable prices of implements on both sides of the boundary, with a view to gauging the consequences of further reductions in tariff. The rates are now 12½ per cent and the prospect is that most implements will be put on the free list on budget day.

Canada—and the Next Five Years

Prominent Canadian Business and Professional Leaders Outline Main National Issues and Offer Solutions

MR. JOHN IMRIE, newspaper publisher; Dr. John P. Day, doctor of philosophy, and Miss Charlotte Whitton, social service authority, contribute this week to The Financial Post's portrayal from eminent Canadians of the most pressing problems facing the Dominion.

* * *

John Imrie was born and educated in Toronto and has spent his life in or about printers' ink. Since 1921, managing director of Edmonton Journal, he plays a leading rôle in Canadian Chamber of Commerce activities; headed their trade mission to the Orient in 1930. He ranks as a front-rank interpreter between Canada's East and West.

Dr. John P. Day is a doctor of philosophy who has made a considerable reputation in recent years as a lecturer and writer on Canadian monetary problems. He is associate professor of economics at McGill University.

* * *

Charlotte Whitton is one of the most outstanding personalities in Canadian public life today. From a background of brilliant accomplishment at Queen's University, she entered the social service arena in 1918; was private secretary to the minister of trade and commerce for three years and since 1925 has made a striking contribution as executive director of the Canadian Council of Child and Family Welfare (now Canadian Welfare Council). Few men or women in Canada have such a keen, intimate knowledge of national problems from a social point of view.

Moral Ruggedness Needs More Fibre

By JOHN IMRIE

It is in the realm of the spirit, rather than in that of economics, that I find three of Canada's five chief problems today.

JOHN IMRIE

First is a falling away from the rugged honesty of former days that feared debt as such, and considered as dishonest the incurring of debt beyond capacity to pay. This is the root cause of much capitalizing of unemployment relief, failure to balance budgets and impairment of credit.

Second, closely related to the first, is a growing tendency to compromise with honor in performance of contract. This is reflected in various acts of governments toward their own contractual obligations, in private procedure and in loose talk about repudiation of debt. It is impairing confidence, restricting credit, retarding investment and holding back employment. There will be cases of governments, as of individuals, requiring adjustments of contracts even perhaps of those in the form of bonds. There is, however, an honorable way of securing such and most creditors, even the much-abused bondholders, are usually willing to co-operate with either individual or governing body that is in financial difficulties, doing his or its best and disposed to "play the game."

Lean on State

Third is a disposition to lean upon the State instead of upon the resourcefulness, initiative and enterprise of the individual. To this may be attributed an appreciable portion of unemployment relief costs, of increases in the cost of social services, of disturbance to business through unnecessary State regulation, of socialistic, Social Credit and such like agitation.

For these three problems the solution lies in the main in a strengthening of the moral fibre of individual Canadians, in a return to a more honest and straightforward outlook on life and its obligations.

Must Balance Interests

Another of Canada's chief problems today is the conflict of economic interests as between an over-expanded industrial plant and an agricultural industry in the West that must sell the bulk of its product in world markets at world prices. The former desires practically one hundred per cent of Canada's home market for the goods it manufactures; the latter can sell its products only as production costs are kept low and as Canada is willing to purchase from other countries in return.

In my judgment Canada's great national task today is to find a formula that will permit and promote the full and concurrent development of each of the several parts of Canada without undue or disproportionate sacrifice on any one group. Canada is not a nation that can be governed on a basis of pure economics. There must be at all times a fine balancing of interest as between different groups, both economic and geographic, a willingness to compromise, a readiness to give as well as to take. The solution of this fourth problem lies mainly in a point of view, a method of approach, and attention to the psychologies of the Canadian situation.

Send Some to Farms

There remains the problem of unemployment of those willing and anxious to work. In many respects this is Canada's greatest problem today. It is also the one for which constructive suggestions are most meagre. One such, I believe, is the placing of those with previous farm experience or natural aptitude for farming on small units of good land for purposes of self-sustainment rather than production for export. Another is the stimulation of foreign trade through trade agreements such as those with various units of the British Empire and the United States. Still another is the restoration through sound public finance and governmental policies of such general confidence as would release capital for new enterprises and for the extension of existing enterprises.

Short-cuts Mean Trouble

There is no royal road out of depression, no easy way of escape from the adverse effects of mistakes of policy and of character that accentuated the depression from which, it is to be hoped, we are now emerging. Apparent short-cuts such as repudiation of debt, lavish expenditures, or deliberate inflation will lead to still greater difficulties. Honesty, integrity, hard work, thrift and willingness to face the facts, and to meet the costs are just as essential to Canada's emergence from the depression as they were to that of Great Britain.

* * *

Stop "Buck Passing" Recovery Will Come

By PROF. J. P. DAY

It is extraordinarily difficult to answer your questions without leaving myself open to misinterpretation. Thus if, as I do, I put the problem of the unemployed first on my list, it can easily be argued that unemployment is only a symptom of something wrong, and the real problem is how to correct the causes of unemployment and might be expressed as the problem of adjusting costs and selling price. Furthermore, there is a great deal of complicated interdependence about all the problems, so that anything which helps in the solution of one will probably help in the solution of others. And lastly, whereas what most people ask for is some few bold, drastic, and striking acts, recovery is probably only possible as a result of innumerable small efforts with a slow, at first, cumulative effect. Whatever the difficulties of answering may be, it would seem to be my duty to do my best to attempt to reply.

PROF. J. P. DAY

Can't Recover Time

1. How to Reduce Unemployment. I put this first from the feeling that ground lost can be regained, but time lost can never be recovered. Men are unemployed—apart from reasons of inefficient management of industry and lack of business confidence—either because the selling price of what they might make is too low or the wages they demand are too high. The efficiency of management has probably been brought to a high pitch under the necessities of meeting the depression; the lack of business confidence is dealt with under problem 4. This leaves higher prices or lower wages, or both, as the solution. One would naturally prefer higher prices, though higher prices for everything, i.e., an increased cost of living, is equivalent to lower wages. Currency or credit inflation which brings higher prices all round is only a disguised method of reducing wages and has the unfair result of penalizing people to the extent that they keep their wealth in actual cash, which there is no reason to suppose that the rich do to any significant extent.

Lower Pay—More at Work

With reference to domestic trade, wage reductions, where circumstances permit, would increase employment and increase the production of wealth, thereby starting the process which would enable wages to recover, a process which may never get going while the additional wealth is not forthcoming because the labor is not utilized. On the other hand, one recognizes all that can be said against a general further reduction in wages, and the best solution lies in a restoration of business confidence.

Government provision of employment is only justified when the social value of the work is worth the cost.

Maintain Our Credit

2. How to Lighten the Debt Burden. There is no doubt that the burden of debt is one of the most serious problems for the world today. For Canada, as for any other country, the first question is to decide whether the existing debt burdens—I am speaking of all debts, Government and other—can be carried or not. If it is impossible, the only solution is the Australian one of scaling down all debts, public and private, to a possible figure. Such a partial default would certainly badly affect Canadian credit and might have the result that in the future we should be unable to borrow abroad and have to finance ourselves. Even if we could, the scarcity of capital would bring very high rates and cripple enterprise.

It seems to me preferable to avoid default and maintain Canada's credit. Too much public fuss about our financial difficulties creates a bad impression. To recommend balancing the Dominion budget is easy, but it is not so easy to see how it can immediately be done. Public relief to the unemployed is still necessary and should be adequate to maintain family health and strength, but any waste in its distribution should be checked as closely as possible. When prosperity returns, a careful and sound scheme of social insurance against unemployment might be established in readiness for the next depression.

Need "Reflation"

Relief to the debt burden will come through higher prices and cheaper money, fostering industry, increasing the revenue, and permitting the conversion of debts to lower rates. This is the case for inflation and what we have needed all along has been world inflation—or "reflation" as it is often called. Inflation by one country alone destroys confidence in its money and can do more harm than good. Canada should be ready and eager, by its monetary policy, to keep up with world reflation, not galloping off with any wild leaders, such as the United States may become, but keeping pace with what has been the steady and sound reflation in England. Meantime a shift in taxation so as to bear more heavily on the interest on capital, "unearned income," and less heavily on the profits of industry would give an impetus to the fuller utilization of existing capital at the expense, it is true, of somewhat discouraging "saving."

Urges Transport Board

3. How to Handle the Transport Problem. This has been widely discussed. It appears to me that the solvency of necessary railway lines ought to be safeguarded against destructive competition, whether from other railways, from water-transport, or from road and air services. One gets tired of Royal Commissions, but a commission thoroughly to investigate ALL transport services might find it advisable to establish some sort of Transport Board for the Dominion which would co-ordinate such services and secure both fair treatment and reasonable developments in the public interest.

Should Avoid Interference

4. How to Restore Business Confidence and to Encourage Private Enterprise. This deserves a higher place than fourth by its intrinsic importance, but it is less of a problem as it tends to come by itself, if permitted. My opinion is that only through an increase in private enterprise can the present unemployed be fully absorbed. What is needed is less uncertainty. Whatever Government interference with business is necessary should be clearly known as to its limits and scope and likelihood to change. Constant juggling with the tariff, with money, with taxes, or changing, arbitrary, and hampering Government regulations should be avoided. As already stated, there should be some lightening of taxes, such as the sales tax, which bear directly on those who have succeeded in giving employment, and every opportunity should be taken to reduce money rates and make cheaper capital available for industry. Stabilization of the exchanges must wait on international action, unless it is considered desirable to attempt to link up with the sterling bloc.

Must Deserve Better Government

5. How to Obtain Better Government. How specifically to obtain this is a difficult problem; but—thinking of all authorities from the Dominion down to the village—one would desire more real economy, greater efficiency, fewer scandals, less pandering to uninformed popular prejudice, no "freak" Governments, and so forth. It may also require some adjustment as to the respective rights and powers of the Dominion and the provinces, and possibly some reduction in the too abundant numbers of Parliaments. Since we probably get the sort of Government we deserve, if we want better, we must deserve it.

Other Considerations

Broadly speaking, the way to recovery is to stop passing the buck. Four years of destructive warfare on a world-wide scale must leave mankind poorer. Most of our troubles have been due to the resistance of every class to the quite necessary sacrifices: the worker has fought against lower wages; the capitalist has striven to obtain the same high rates of interest; the businessman has considered that he ought to get the same rate of profit; and the landowner has been reluctant to reduce rents. There have been similar efforts by nations trying to keep benefits at the expense of others. Had we ALL got down to a lower standard of living soon after the War, we might by now have rebuilt prosperity.

* * *

Shadows Portrayed On Rock of Destiny

By CHARLOTTE WHITTON

Unemployment stands out as the arresting problem darkening the path of Canada's development today. The contraction of employment opportunity is a phenomenon of world-wide manifestation, indications of which were increasing throughout Canada long before the whole economic and social structure was convulsed in the more severe symptoms of the so-called depression of 1930. Even in 1913, an economic crisis was looming, to which the war granted a reprieve.

CHARLOTTE WHITTON

Then Came Effects of War

The peace treaties carried but little planning in economic readjustment; the purchasing power of insolvent countries diminished with the disappearance of allied war loans; devastated areas were rebuilt, and agricultural production revived in the Danubian Valley, Roumania, Russia, etc. And, as the contraction of the world's trade proceeded, and as Canada's export market shrank in comparable degree, employment opportunity and demand were undergoing significant changes. Much of our great capital construction had been completed—the Ontario Unemployment Commission in 1916 estimated our industrial plants as $200,000,000 over-built in excess of requirements—and idle manpower, especially of the unskilled labor type, had not been absorbed in new productivity.

Work in West Curtailed

Free land, easily accessible, was disappearing, throwing into relief the purely seasonal nature of much of the employment which western agriculture could afford to the farm laborer. Mechanization had also entered agriculture, and the combines alone were displacing 15,000 harvest workers a year, though but a quarter of our agricultural areas were yet mechanized. Mechanization and electrification were reducing the demand for human labor faster than new avenues of production and employment were opening, and, consequently, even when production mounted, employment diminished.

Canada's ordinary seasonal or casual unemployment affected not less than 125,000 to 150,000 each year, but for some years the numbers so living on the verge of dependency were remaining disturbingly static, were finding less work, and were employed during shorter periods each year. Even in 1929 of golden memory, reliable estimates revealed 128,000 unemployed in the height of summer (July) with over three times that total idle in December.

Population had been shifting rapidly from rural to urban life; Canadian workmen became predominantly employees, wage workers, with nothing to market but their labor and skill, utterly dependent upon employment, and without resources beyond savings, in times of idleness.

Unheeded For Years

These significant trends have been running, almost unheeded in the sands, for three decades now, and Canada's recovery depends upon courageous recognition of them. We must cease to be afraid of wise, long range planning in the organization of agricultural and industrial production and processes, and must realize that it is only when they are inefficiently or inadequately organized that unemployment and the dependency arising therefrom result.

First, then, in Canada's problems, I place wise development and well planned processes of agricultural and industrial production, which shall be conscious of the obligation of creating a demand for the employment of human labor and skills, under such conditions as will assure a reasonable minimum standard of life, for the worker.

Re-Settlement and Rural Development

Closely related to the inter-operation of forces which have contracted employment opportunity is the inability of large groups of our rural population to make more than a sustenance livelihood, because of their settlement on poor land, or in areas from which the produce cannot be profitably marketed because of inaccessibility to adequate markets. Too much of the migration within certain parts of Canada, even in recent years, has drifted toward remote or unsuitable land, and Canada must early face this immense problem of analyzing the possibility of establishing large portions of our rural population in areas other than those they now occupy. We must not shrink from comprehensive re-settlement and rehabilitation projects if these be the solution to the present threat of dependency and rural slums over wide areas.

World security, and so world well-being, depends upon finding, and right soon, some solution to the pressing population needs of Italy, Germany and Japan. If the answer be the assigning of territory by nations possessing it, to administration under mandate, Canada can hardly escape the responsibility of bringing into development and occupation, on her own terms, and by population of her own selection, some of her vast tracts held out of use. This problem of tremendous significance to humanity in chaos is definitely related to Canada's problems of employment, since a wise selection, settlement, and development programme, could not but create a labor demand and enlarge consumption demand.

The Discouraged Generation

Upon no group has the frustration of initiative and the denial of employment opportunity had so deadening an effect as upon Canada's young men and women who have left school or university in the last six years.

Canada, without appalling cost, cannot face the loss of the stimulus of this present generation in disillusionment, bitterness and despair. This problem is immediately upon us, and the obligation of maintaining the faith, destroying the sense of futility, and proving life by active works is what this generation owes to more than 300,000 young men and women idle and dispossessed today. Occupational and training projects, development of employment opportunity, the creation of outlets for the energy and effort of youth, simply must be evolved or the country can neither escape nor equate the consequences.

Already the effects of idleness and lack of opportunity are reflected in a lowered and deferred marriage rate, and, at a time when family life is depressed immeasurably, with over a quarter of a million homes in receipt of relief, the development of new homes, of youthful affection, hope and confidence, is arrested. The social costs of idleness to the family and to youth offer one of the greatest problems immediately upon us.

The Evolution of Social Aid

The Canadian attitude and tradition on the whole have been humane and generous in the evolution of measures of social aid for those in need; unfortunately, the thought and planning devoted to these provisions have rarely been as adequate as problems of such intricacy demand. Divided jurisdiction and responsibility, as among municipality, province and Dominion, have aggravated the situation. The result, today, is that throughout Canada, there is an ill co-ordinated and haphazard growth of services, many of them founded on sound principles and good administrative practice, others characterized by neither, and all endeavoring to meet in part, and without correlated plan or definite objective, this or that manifestation of deep-seated social ills.

Altogether, Canada is spending some $115,000,000 this year on unemployment relief alone; all other forms of social aid must be absorbing not less than $85,000,000 to $100,000,000 in addition. Compared with the system, standards, services and results in the field of education, in which aggregate expenditure, on all projects, public or private, approximates $140,000,000 a year, this tremendous outlay on social assistance, and the lack of clear perspectives, of disciplined procedures, established practices and direction from qualified and experienced personnel, offers its own contrast.

Scientific Study Necessary

Canada's immediate problem in the field of social aid is scientific calculation of the probable occurrence of dependency beyond the capacity of the individual to forefend or provide, and the evolution of actuarially sound measures of assurance against calculable risks, with provision through correlated systems of social assistance for the residuum of need that can be neither foreseen nor insured. These problems and responsibilities must be faced by all units of government and wise schemes of partnership evolved, whereby the various units of legislative responsibility will agree each to accept their part in the whole.

Circumstances will bring to Canada's consideration for urgent decision, regardless of whether she wishes it or no, the problems of health and medical care in their own homes, or by hospitalization, not only for the needy and destitute sick but for all persons of low income; the question of protection against the dependency of unemployment, and of old age. Within a reasonably short time, Canada must study the whole question of social assistance and social assurance within these fields.

National Credit and Finance

The question of credit, and finance is beyond the technical competence of the social worker but he or she would be of dull perception who failed to realize the almost impossible situation in the economy of a country in which three different units of government, with little or no collaboration or control, may incur unrelated obligations in debt and financing, imposed upon the same volume of national wealth, and the same body of population, but under different jurisdictions. The question of some partnership in the control of loan, taxation and financing among our different units of government in Canada must be basic in the background from which we look out upon the problem of the clean-cut recruiting of the full resources of the Canadian land and people to meet the challenge of their destiny that these years have brought.

Waging War Against U. S. Surplus Tax

Would Affect Canadian Shareholders and Parent Companies Materially

STUNTS GROWTH

Canadian shareholders of United States companies and of Canadian companies with United States subsidiaries are vitally interested in the fight now being waged in the United States against Federal proposals to tax the annual undistributed surpluses of companies operating in the United States.

The proposal would impose a levy up to 42.5 per cent on undivided profits above $10,000 and up to 29.7 per cent below that amount. A company could avoid this tax by paying all its profits to shareholders. But that might be a most dangerous policy for any company that had not great liquid strength. In other words, the proposed law would penalize the growing companies which are trying to finance growth out of earnings. It would delay repayment of bank loans and other indebtedness out of surplus profits and would be a constant threat to the solvency of companies which could not accumulate healthy reserves in times of good earnings against the lean years that always come.

Would Prefer Straight Increase

Most of the representatives of companies, business and financial and industrial organizations which have appeared before the Ways and Means Committee at Washington state that they would prefer a straight increase in corporation income tax rates. Recent estimates of the Government's own Department of Commerce are quoted to show that the depression would have been a great deal worse in the United States if this law had been in operation years ago. From 1930 to 1934 business enterprises in the United States drew upon their existing resources to the extent of more than $26.6 billions to maintain operations to the benefit of workers, creditors and owners. Plowing back earnings was the promoter of swift industrial expansion, it was urged.

British American Oil Co., for instance, has been plowing back all its profits in the United States into development of oil fields. It is counting on turning back a large part of earnings from new wells brought in in 1936 but this tax would take nearly half of the surplus profits after dividends unless depletion allowance is extraordinarily liberal.

Seek to Tax Aliens

But if this company does pay dividends it then encounters another proposed tax of 22½ per cent on American dividends of non-resident aliens. At present there is a holdback of four per cent by American companies from dividends paid to foreigners. If it is increased to 22½ per cent it is easy to see how popular United States stocks will be with Canadians and others. Exemptions of $1,000 and $400 for each child under 18 years of age can be secured by filing a special income tax return. Small shareholders will therefore fare better than large ones but all will have this extra work to do in making up tax returns.

The chief ones affected will be holding companies with U. S. subsidiaries or companies with large blocks of shares in U. S. companies.

Such companies as F. N. Burt Co., Fanny Farmer Candy Shops, International Metal Industries, Loblaw Groceterias, Canadian banks with branches in the United States, C.P.R., Massey-Harris Co., Canadian Wineries, Page-Hersey Tubes, George Weston, Ltd., the distillery and brewing companies with subsidiaries in the United States are very much interested in this legislation.

Keep Surpluses Here

There is another angle. Canadian subsidiaries of United States companies would find that their profits would not be taken to the United States. They would be a repository for surplus funds. A Netherlands tax expert, Dr. H. W. A. Beenhouwer told the Washington committee that these two taxes would increase the tendency to have United States company shares traded in increasingly on Canadian, London, Amsterdam and other foreign markets. He claims that a flat rate would bring back this business to the United States and result in greater tax collections eventually.

Stocks in Storage Little Changed

Cheese Up from Year Ago But Meats About Same

With the exception of cheese, which is up about 20 per cent, from a year ago, stocks of perishable foods in cold storage at April 1 in Canada do not appear to be burdensome. Figures are similar to those of a year ago.

Butter is up about a million pounds from 1935, but shows a very substantial decline from March 1, 1936.

The gain in cheese stocks over a year ago, however, is probably explained by the increased production last year, no doubt stimulated by the temporary federal bonus policy. This succeeded in raising production, but there was no improvement in the export trade to Great Britain. Since the first of the year, however, there has been a fairly large export of Canadian cheese to the United States.

Cold Storage Stocks, April 1

Commodity:	1936 (lb.)	1935 (lb.)
Butter	8,511,000	7,102,000
Cheese	15,640,000	13,023,000
Pork	36,634,000	36,636,000
Lard	2,913,000	3,367,000
Beef	16,371,000	14,907,000
Mutton and lamb	2,822,000	4,479,000
Poultry	8,706,000	7,621,000
Eggs*	1,618,000	2,050,000

*In dozens, and including all classes.

STOCK AND BOND MARKET QUOTATIONS

This table is confined to official prices for listed stocks. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

Montreal, Toronto, Curb

WEEK ENDING APRIL 13

Range 1936 High	Low	Div Rate $	Apr 11 Y'ld %		Sales	Last Apr. 4	Week end. Apr. 13 H	L	Cl'se
				A					
2.50	1.25	.	...	Abitibi	1500	1.90	1.95	1.75	1.75
13	6⅞	.	...	Do. pref. 6%	195	10½	11	10½	10½
12½	6⅞	.	...	Do. cert. rep.	100	11½	10½	10½	10½
4½	4½	.	...	Acadia Sugar	....	(3½ bid — asked)			
10	8½	40c	4.7	Agnew Surp.	25	9	8½	8½	8½
107	104	7	6.5	Do. pref.	....	102½ bid 105 asked			
6	4	.	...	Alta. Pac. Gr.	50	4¾	4¾	4¾	4¾
39	25	.	...	Do. pref.	....	(— bid 32 asked)			
3	2	.	...	Amal. Electric	....	(3 bid — asked)			
23	14	.	...	Do. pref.	....	19 bid 20 asked)			
40½	29¾	15c	...	Amer. Cyn. B.	....	(36, Mar. 19)			
54½	51¾	3.50	6.6	Ang. C. Tel. p.	....	(no bid 53½ asked)			
28	17½	.	...	Asbestos v. t.	395	28	28	27	27
15	10	15c	...	Assoc. Brew.	255	11	10½	10½	10½
110	107	7	6.4	Do. pref.	....	(— bid 109 asked)			
35	34	.	...	Assoc. T. & T. p	....	45½ bid 47½ asked			
106	105½	7	6.6	At'an. Sugar, p	25	106	105⅞	105½	105⅞
				B					
58	51½	2.25	3.9	Bank of Canada	53	58	57	56¾	57
140	133	8	5.8	Bk. Can. Nat.	18	137	137	136	137
214	185	8	4.2	Bk. Montreal	246	193	191	189½	189½
300	271	12	4.3	Bk. N. Scotia	21	275	278	277	278
235	225	10	4.3	Bk. Toronto	5	231	230	229	229
13½	13	50c	...	Barcelona	....	(11 bid 13 asked)			
17¾	10½	.	...	Bathurst Pr.	1175	14	14½	13½	14
5¾	3½	.	...	Do. (B)	113	4	3½	3½	3½
4	1¾	.	...	Bawlf Grain	....	(— bid 3 asked)			
38	27	.	...	Do. pref.	15	30	30	30	30
3	2½	.	...	Beath & Sons	65	3	2½	2½	2½
15	11¾	.	...	Beatty Bros. A.	15	12	12½	12	12
105	96	6	5.8	Do. pref.	5	105	104	104	104
3¾	2½	.	...	Beauharnois	500	3	3	2¾	2¾
105	105	4	3.8	Belding Cort.	....	(105 bid — asked)			
130	130	7	5.4	Do. pref.	....	125½ bid 140 asked			
150	140	6	4.2	Bell Telephone	434	144½	144¾	143½	144½
32	30	1.25	...	Biltmore Hats	....	(33½ bid — asked)			
110	110	7	6.4	Do. pref.	....	(106 bid — asked)			
5	3½	.	...	Bissell, T. E.	....	(4 bid 4¾ asked)			
50	33	.	...	Do. pref.	....	(40 bid 50 asked)			
5	3½	.	...	Blue Ribbon	....	(3 bid 4 asked)			
31	27	2	6.4	Do. pref.	40	30½	31	30½	31
31½	30	2	6.6	Brant. Cord. pf.	200	30½	30½	30½	30½
15½	9¾	.	...	Brazilian Tr.	3866	12⅞	12½	12½	12½
1.45	.80	.	...	Brew. & Distil.	1820	1.15	1.15	1.05	1.10
4½	2½	.	...	Brewing Corp.	885	3	3	3	3
18½	13¾	1.50	.87	Do. pref.	478	17½	17½	16¾	17
9	7½	30c	4	Bright, T. G.	....	(6 bid 7½ asked)			
82	80	6	7.5	Do. pref.	....	(80 bid — asked)			
27⅞	16½	80c	3.1	Brit. Amer. Oil	29982	26½	26⅞	24¾	25¾
13	9	.	...	B. C. Packers	210	10	10½	10	10½
32¾	28½	1.60	5.1	B. C. Power A	308	31½	32	30¾	31
5¾	4	.	...	Do. (B)	111	4½	4¾	4½	4¾
16	12½	1.20+10c	10	Bruck S Mills	1405	13½	13½	12½	12⅞
37½	33	1+25c	3.5	Building Prod.	295	35	35½	34½	35½
47¾	37½	2	4.5	Burt, F. N.	145	42	44	42½	44
				C					
86½	86½	6	6.9	Calgary Pr. pfd.	....	(— bid 87 asked)			
6	4½	.	...	Canada Bread	25	4¾	4¾	4¾	4¾
95	90	2.25	...	Do. pref. A.	....	(92¾ bid 97 asked)			
44	38	.	...	Do. pref. B.	....	(38 bid 41 asked)			
9¾	6½	.	...	Canada Bud	3900	8½	9¾	8½	9½
8	6½	.	...	Canada Cement.	735	7½	7½	7½	7½
75	58	.	...	Do. pref.	120	70	69½	69	69
70	57	1.50+50c	2.8	C. & D. Sug.	....	(58½ bid — asked)			
16½	13½	.	...	Canada Dry	6100	14½	14	13½	13½
7	5	.	...	Can. Forg. (A)	50	6	6	6	6
2	2	.	...	Do. (B)	....	(3 bid — asked)			
41	40	.	...	Canada Iron	....	(40 bid — asked)			
60	60	3	5	Do. pref.	....	(60 bid — asked)			
35	31½	1.50+50c	6.3	Can. Malting	636	33	32½	31½	31¾
25¾	22½	1.20	4.9	Can. Nor. Pr.	170	23¾	24½	24	24½
110	107¾	7	6.4	Do. pref.	155	85	110	109½	110
93	82½	3	3.5	Can. Packers	25	85	85	85	85
118	105	.	...	Can. Paper, pf.	5	115	118	118	118
*2	2	.	...	Can. Paving, pf.	....	(1¾ bid — asked)			
160	137½	8	5.2	Can. Perman.	57	154	155	154	155
3½	1¾	.	...	Can. Steamsh'ps	425	2½	2½	2½	2½
15½	8	.	...	Do. pref.	1085	10¾	10½	10	10
27½	20½	1.20	5.6	Can. Vinegars	280	21½	21½	21	21
27	20½	.	...	Can. W. Cable.	....	(26½ bid — asked)			
12½	9	.	...	Do. (B)	361	12	12	11¾	12
99½	98½	.	...	Do. pref.	....	(99½ bid — asked)			
4	3½	.	...	Can. Bakeries	....	(2 bid — asked)			
57	43½	.	...	Do. pref.	....	(48 bid 50 asked)			
170	149	8	5.1	Can. Bk. Com.	170	160	160	154	156
41	31	1	3.4	Can. Bronze	175	40	41	40	41
116	110	7	6.3	Do. pref.	1	111½	111½	111½	111½
5½	4	.	...	Can. Canners	75	4¾	4½	4½	4½
95½	88½	6	6.3	Do. 1st pfd.	35	95	95½	94½	95
8½	6	.	...	Do. 2nd pfd.	149	7	7	6¾	6¾
8	6½	.	...	Can. Car & Fd'y	645	6¾	6¾	6¾	6½
17¾	13½	.	...	Do. pref.	315	15	15½	15	15
31½	26½	.	...	Can. Celanese	405	27¾	27½	26½	26½
128	120	7	5.8	Do. pref.	195	121	121	120	120
21	18	.	...	Do. Rights	....	(18¾ bid 20 asked)			
30	23¾	2	6.7	Can. Convert.	....	(25 bid 30 asked)			
50	48	4	8	Can. Cottons	....	(47 bid — asked)			
105	99	6	5.9	Do. pref.	....	(— bid 101 asked)			
49½	37	1+1	4.2	Can. Dredge	185	48¾	48½	47½	47½
100	100	6	6	Can. Fairb. pf.	....	(90 bid — asked)			
34	23½	1.60	5	Can. For. Inv.	25	31	31¾	31	31¾
107	105	8	7.5	Do. pref.	4	107	107	107	107
165	150	5	3	Can. Gen. Elec.	....	162 bid 175 asked)			
8½	8	40c	...	Can. G. Inv.	180	8	8	8	8
48	34¾	.	...	Can. Hyd. El. p	578	36¾	37	35	35
12½	8¾	.	...	Can. Ind. Alc.	6420	9¾	9½	8¾	9½
11½	7½	.	...	Do. (B)	972	8	8	7½	8
225	225	4	1.8	Can. Indust. B.	....	(— bid 235 asked)			
*166½	148	7	4.2	Do. pref.	....	..	..	..	..
4	1	.	...	Can. Int. I. Tr.	....	(— bid 3 asked)			
65	35	.	...	Do. pref.	40	56½	56	56	56
23	21	1	4.8	Can. Lt. & Pr.	....	(20 bid 24 asked)			
4	2½	.	...	Can. Locomo.	....	(2½ bid 3½ asked)			
2¾	1¾	.	...	Can. Marconi	2685	2	2½	1¾	2
18	14¾	50c	3.2	Canadian Oil	275	14¾	16	15½	15½
126½	123	8	6.4	Do. pref.	20	125	125	124½	125
15¾	10¾	.	...	Can. Pacific	4555	13½	13¾	12¾	13½
6	4½	.	...	C Pr & Pa Inv p	20	5	6	6	6
3¾	1½	.	...	Can. Vickers	....	(2½ bid 3 asked)			
25	12	.	...	Do. pref.	....	(18 bid 21½ asked)			
3¾	2¾	.	...	Can. Wineries	365	3½	3½	3½	3½
23	21	25c▲	...	Can. Wire Box	215	22	22½	22	22½
24½	18½	.	...	Catelli Mac. A.	202	22	22	22	22
4	2¾	.	...	Do. (B)	....	(1½ bid 2½ asked)			
165	165	8	4.8	Cent. C. Loan.	....	(160 bid — asked)			
1.60	.85	.	...	Chem. Research	4200	1.21	1.28	1.15	1.15
3	1¾	.	...	City Gas & Elec	329	1¾	1¾	1¾	1¾
.60	.40	.	...	Claude Neon	50	.40	.40	.40	.40
14½	12¾	92c	6.9	Coast Brew.	90	13	13½	13	13½
5½	4	.	...	Do. Rights	190	4¾	4¾	4½	4½
9¾	7½	.	...	Cockshutt Plow	241	8½	8½	8½	8½
1.35	.75	.	...	Comm. Alcohol	150	1.00	.90	.90	.90
18¾	15¾	80+10c	...	Cons. Bakeries	35	17	17½	17	17½
3¾	2	.	...	Cons. Paper	4507	3⅜	3½	3½	3½
9	5	.	...	Cons. Press	....	(5 bid 7 asked)			
35	33	.	...	Cons. Sand, pf.	....	(32 bid — asked)			
293½	200	2.50+4	.	Cons. Smelters	1057	284	285	273	275
200⅞	189	10	5	Consumers' Gas	14	200⅞	203	201	203
90	79	7†	8.7	Corr. P. Box, pf	55	80	80	79	80
22¾	17½	80c	3.9	Cosmos Imp.	35	21	20¾	20½	20½
17	15	80c	5.2	Crown Cork	....	15½ bid 15¾ asked			
2¾	2	.	...	Crown Dom. Oil	....	(2 bid 2½ asked)			
30	30	2	...	Crow's N. Coal.	....	(31 bid — asked)			
				D					
4	2	.	...	David & Fre. A.	....	(— bid 3½ asked)			
1½	½	.	...	Do. (B)	....	50 bid 100 asked)			
7	2	.	...	De Havilland	....	(4½ bid 5 asked)			
68	40	.	...	Do. (A)	....	(60 bid 65 asked)			
4	4	.	...	Disher Steel	....	(— bid 3½ asked)			
11½	7½	.	...	Do. pref.	....	(— bid 11 asked)			
34¾	22¾	.	...	Distill-Seagram	8775	24½	24½	22¾	23
222½	190	10	4.8	Dom. Bank	99	212	214½	210	210
40½	32	1.20	3.1	Dom. Bridge	847	39½	39	38½	38½
17¾	14¾	1.50	...	Dom. Coal, p.	341	15½	15¾	15	15
36	26½	.	...	Dom. Engineer	65	32½	32	32	32
41	32	.	...	Dom. Foundries	....	(— bid 36 asked)			
115	106	5	4.5	Dom. Glass	30	110	111½	111½	111½
145	135	7	4.9	Do. pref.	....	(140 bid — asked)			
35¾	33	.	...	Dom. Oilcloth	....	(— bid 34½ asked)			
100	100	7	7	Dom. Rubber, p.	....	(100 bid — asked)			
8	4½	.	...	Dom. St. & C.B.	1050	6	6½	6	6½
12	8¾	.	...	Dom. Stores	775	9½	9¾	9	9
7½	4¾	.	...	Dom. Tar & Ch.	420	6¾	6¾	6¾	6¾
80	57	.	...	Do. pref.	415	77	80	78	79½
79	70	5	6.8	Dom. Textile	111	73	74	73	74
146½	144	7	4.9	Do. pref.	48	144	144	144	144
9½	4¾	.	...	Donnacona P. A	146	6¾	5½	4¾	4¾
7½	2½	.	...	Do. (B)	5	5½	5	5	5
7	5	.	...	Dryden Paper	35	6¾	6	5¾	5¾
				E					
2½	1	.	...	East. Koot. Pr.	10	2½	2½	2½	2½
16	5	.	...	Do. pref.	5	14½	14½	14½	14½
3½	2	.	...	East. Dairies	132	2¾	2½	2	2
16½	12½	.	...	Do. pref.	100	14	14	14	14
13	10	.	...	East. Steel	330	11	11	11	11
101	80	7	7.2	Do. pref.	5	101	97	97	97
*8	7	.	...	East. Theatres	....	..	..	..	..
85	85	7	8.2	Do. pref.	....	(75 bid — asked)			
2½	1½	.	...	Easy Washing	....	(1½ bid 1¾ asked)			
24	20½	62½c	...	Economic Inv.	....	(22 bid 25 asked)			
28½	19¾	1.60+10c	...	Electrolux	110	25½	25½	25½	25½
3	1	.	...	Enam. & Heat.	....	(1½ bid 3 asked)			
24	10½	.	...	Eng. Electric	5	21	20½	20½	20½
12½	7	.	...	Do. (B)	....	(— bid 11½ asked)			
*9	6¾	30c	...	European El. A.	....	1.00 bid 7.00 asked			
35	35	.	...	Do. Warrants.	....	(35 bid — asked)			
				F					
21½	19	.	...	Fam. Players	....	(14 bid 20 asked)			
20	19	.	...	Do. Vot. Tr.	....	(14 bid — asked)			
17½	13½	50c	3.5	Fanny Farmer	945	14	14¾	14½	14½
28½	24¾	50c	1.9	Ford Motors A.	4041	25¾	25¾	25½	25½
2.50	.85	.	...	For. Pr. Secs.	25	1.50	1.25	1.25	1.25
18¾	13	.	...	Foundation Co.	2570	18	18¾	17½	17¾
19½	9	.	...	Fraser Cos.	256	14	14	14	14
19	8	.	...	Do. Vot. Tr.	230	15½	14	13	13½
60	55	6	10	Freiman, pf.	....	(57 bid — asked)			
8	2½	.	...	Frost Steel	....	(— bid 7 asked)			
100	94	1.75	...	Do. pref.	25	94	99	98	99
				G					
5¾	4	.	...	Gen. St. Wares	435	4½	5	4½	4½
65	55	.	...	Do. pref.	....	(53 bid 55 asked)			
73	64¾	2.50	3.5	Goodyear Tire	125	70	72	70	72
59	53½	2.50	4.5	Do. pref.	36	54½	55½	55	55½
3	1	.	...	Gt. W. Saddlery	....	(1¾ bid 2 asked)			
30	13	.	...	Do. pref.	25	27	27½	27½	27½
8¾	6½	.	...	Gurd, Chas.	521	7½	8½	7¾	8½
100	100	7	7	Do. pref.	....	(— bid 100 asked)			
8½	6¾	.	...	Gypsum, Lime	1285	7½	7¾	7½	7¾
				H					
6¾	4½	.	...	Ham. Bridge	555	4¾	4¾	4¾	4¾
37	25½	.	...	Do. pref.	....	(32½ bid 35 asked)			
29½	25½	2	6.8	Ham. Cot., pf.	10	29½	29½	29½	29½
1.00	.80	.	...	Ham. U. Theat.	....	(85 bid — asked)			
52	50	4	8	Do. pref.	....	(49 bid — asked)			
4	2¾	.	...	Harding Carpet	379	3½	3½	3½	3½
9	1½	.	...	Hillcrest Coll.	....	(— bid 10 asked)			
16	16	.	...	Do. pref.	....	(— bid 15 asked)			
15½	12	50c	...	Hinde & Dauch	....	(12¾ bid 13 asked)			
7	7	.	...	Holt Renfrew	....	(5 bid — asked)			
40	30	.	...	Do. pref.	....	(35 bid — asked)			
.70	.40	.	...	Honey Dew	....	(.50 bid .60 asked)			
8	7	.	...	Do. pref.	....	(7½ bid — asked)			
14¾	11	.	...	H. Smith Pap.	824	12½	12½	11½	11½
119	94	§2	...	Do. pref.	78	95	95	94	94
35	32	2	6.2	Humberstone S.	125	32	32	32	32
6	5½	.	...	Hunts (A)	....	(4½ bid 6 asked)			
6	6	.	...	Do. (B)	....	(6 bid 10 asked)			
90	82	5	5.8	Huron & E. Mt.	11	86	86	84½	84½
12½	12½	.	...	Do. 20% pd.	....	12½ bid 13½ asked			
10½	8	.	...	Hydro Electric.	....	(7½ bid 7½ asked)			
				I					
221	200	10	4.8	Imperial Bank.	85	211	208	208	208
24½	20½	50+75c	5.2	Imperial Oil	19365	24½	24½	24	24
14½	13½	52½c	3.7	Imperial Tob.	2805	14	14	14	14
7¾	7	6%	...	Do. pref.	7	7½	7½	7½	7½
30	19	1	...	Inter City Bak.	10	30	25	25	25
45	40	5+2	...	Inter'c Coal	....	(— bid 51 asked)			
*110	108	8	7.3	Do. pref.	....	..	..	..	..
5½	3½	.	...	Int. Hyd. E. A.	10200	3½	3½	3½	3½
7½	4	.	...	Int. Metal Ind.	382	6	7½	6	7½
42	30	.	...	Do. pref.	20	39½	37½	37½	37½
105⅞	103½	5	4.8	Inter. Mill., pf.	50	104½	104½	104½	104½
54	44½	1	2	Inter. Nickel	9009	49¾	50	48¾	94½
6	2½	.	...	Inter. Paints	....	(— bid 3½ asked)			
29½	19	1.12½▲	...	Do. pref.	....	(— bid 24 asked)			
b7½	3	.	...	Int. Pa. & P. A.	3400	5½	5½	5	5¾
b4	2½	.	...	Do. (B)	1100	3½	3½	3½	3½
b3½	1¾	.	...	Do. (C)	3000	2½	2½	2½	2½
b36¾	23½	.	...	Do. pref.	18200	28½	30¾	26	30
39¾	33¾	1.50+1	6.4	Inter. Pete.	7114	39⅞	39¾	39	39½
6	3½	.	...	Inter. Power	....	..	..	..	..
88½	57	1	...	Do. pref.	107	80	80¾	79	80
15½	15½	.	...	Int. St. Rly. A.	....	(15 bid 15½ asked)			
14½	3¾	.	...	Int. Util. (A)	....	(12 bid 14 asked)			
2.25	.40	.	...	Do. (B)	30	1.40	1.30	1.25	1.25
				J					
35½	33	1.50	4.3	Jam. Pub. Ser.	....	(35 bid — asked)			
125½	123½	7	5.6	Do. pref.	....	(125 bid — asked)			
				K					
9	6½	.	...	Kelvinator	25	8	7¾	7¾	7¾
107	106	7	6.6	Do. pref.	5	106	106	106	106
				L					
22	16½	.	...	Lake of Woods.	290	20½	20	19½	20
138	123	.	...	Do. pref.	50	135	138	136	136
58	55	5	9.1	Landed Bank	5	55	55	55	55
*4	3½	.	...	Langley's	....	(— bid 3½ asked)			
50	46½	7	15.1	Do. pref.	....	(— bid 46 asked)			
69	64¾	3	4.4	Laura Secord	....	67½ bid 67¾ asked			
4	3	.	...	Lindsay, C. W.	100	3¾	3½	3½	3½
41½	40	.	...	Do. pref.	....	(41½ bid 55 asked)			
20½	18¾	1	5	Loblaw (A)	267	20	20	19¾	20
18½	17½	1	5.5	Do. (B)	75	18	18	18	18
				M					
*3½	3½	.	...	MacKin. Steel	....	(2½ bid — asked)			
4	4	.	...	Manitoba Pr.	....	(4 bid — asked)			
.50	.50	.	...	M. L. Gardens.	....	(.50 bid — asked)			
4	3½	.	...	Do. pref.	....	..	..	..	..
2.25	1.25	.	...	Maple Leaf	....	1.10 bid 125 asked			
5¾	3½	.	...	Do. pref.	610	4½	4	3½	3½
*12¾	12	60c	4.4	Maritime Tel.	....	(14½ bid 15 asked)			
*15	14½	70c	4.7	Do. pref.	....	(15 bid — asked)			
18	18	.	...	Marcus Loew's.	....	(— bid 20 asked)			
111	111	7	6.3	Do. pref.	....	..	..	..	..
7½	5¾	.	...	Massey-Harris	850	6¾	6¾	6½	6¾
40	34½	.	...	Do. pref.	295	36¾	37	35¾	35¾
17¾	24½	80c	4.5	McColl Fron.	2556	17	17½	16¾	17½
105	96½	6	5.8	Do. pref.	45	102	103	102½	103
13¾	9½	50c▲	...	Melchers A)	360	10½	10½	10	10
5¾	4	.	...	Do. (B)	155	4½	4½	4	4½
13½	9	.	...	Mercury Mill, p	15	13	12	12	12
36	30	1	2.8	Mitchell, J. S.	....	(36 bid 40 asked)			
110	110	7	6.4	Do. pref.	....	(110 bid — asked)			
8	5½	.	...	Mitchell, Robt.	160	6¾	7	6¾	6¾
5	3	.	...	Monarch Knit	....	(4½ bid — asked)			
90	85½	7	8	Do. pref.	....	(— bid 89½ asked)			
35	26	.	...	Montreal Cot.	2	35	30	30	30
100	85	7	7	Do. pref.	....	(95 bid 100 asked)			
2½	2	.	...	Mont. Is. Pr.	....	(2 bid 5 asked)			
34	31½	1.50	4.6	Mont. L. & Pr.	4886	32½	32¾	32	32½
*32	30	2	6.7	Montreal Loan	....	..	..	..	..
9	9	.	...	Mtl. Ref. & S.P.	10	9	9	9	9
2	2	.	...	Do. Vot. Tr.	10	2	2	2	2
60	55½	3.20	5.5	Montreal Tele.	26	57	57	57	57
103	94	9	9.6	Montreal Trams	27	98	99	94	94
39	27½	1	2.8	Moore Corp.	100	35½	35½	35½	35½
165	146	7	4.5	Do. pref. (A)	54	157	155	155	155
230	175	7	3.2	Do. pref. (B)	....	208 bid 220 asked			
1.00	.30	.	...	Muirheads	....	(30 bid 90 asked)			
3½	3	.	...	Do. pref.	....	(3½ bid 5 asked)			
				N					
44	37	2	4.6	Nat. Breweries.	1044	43½	43½	43	43½
43	39¾	1.75	4.2	Do. pref.	60	41	41½	41½	41½
7¾	5¾	.	...	Nat. Grocers	155	6	6	5¾	6
135	130	7	5.2	Do. pref.	10	135	135	135	135
20	16½	.	...	N. Sew. Pipe A.	85	18	19	19	19
17½	15	.	...	Nat. Steel Car.	105	15½	15½	15	15
201	197	8	4.1	National Tr.	....	196 bid 200 asked			
55	34	75c	...	Niag. W. Weav.	25	54	54	54	54
60	56	3	5.2	Do. pref.	10	58	58	58	58
1.75	.90	.	...	North Star Oil.	140	1.25	1.50	1.50	1.50
4.00	3.15	8½c	...	Do. pref.	10	3.80	3.60	3.60	3.60
61	61	3	4.9	N. S. L & Pr.	....	(61 bid 65 asked)			
102½	102½	6	5.8	Do. pref.	....	101 bid — asked)			
				O					
240	199½	8	3.3	Ogilvie Flour	55	240	240	240	240
160	152	7	4.4	Do. pref.	7	155	160	160	160
10	7	.	...	Ont. Eq. 10% pd.	20	7	7	7	7
112½	109	6	5.3	Ontario Loan	4	112½	112	111	112
14½	12	.	...	Ont. Silknit	....	(— bid 12¾ asked)			
90	80	7+75c▲	8.3	Do. pref.	....	(— bid 84 asked)			
8	8	.	...	Ont. Steel	....	(6 bid 8 asked)			
85	75	.	...	Do. pref.	....	(75 bid — asked)			
.40	.25	.	...	Orange Crush	....	(25 bid 35 asked)			
8	6	.	...	Do. 1st pref.	....	(7½ bid 8 asked)			
.40	.40	.	...	Do. 2nd pref.	....	(.45 bid .65 asked)			
95	88	6	6.4	Ott. L. H. & Pr.	10	92	93	93	93
110	101½	6.50	6.2	Do. pref.	15	103	105	104½	104½
21	18	2	11.1	Ott. Traction	....	(15¾ bid 18 asked)			
				P					
95	78½	3	3.3	Page Hersey	155	88¾	90½	90	90
6½	3½	.	...	Pantepec Oil	2165	6½	6½	5¾	5¾
25	18	.	...	Paton Mfg.	....	(— bid 30 asked)			
*98	94	7	7.2	Do. pref.	....	(100 bid — asked)			
57	48	3	6	Penmans	15	52	50	50	50
125	118	6	4.8	Do. pref.	5	122	125	125	125
27	23½	1	4.2	Photo Eng.	....	(23 bid 25 asked)			
97	85	7	7.5	Porto Rico Pr. p	....	90½ bid 91½ asked			
18¾	11¾	.	...	Power Corp.	331	15½	15¾	15½	15½
101	97½	6	6.1	Do. pref.	45	99	99½	99	99
2½	1½	.	...	Prairie C. Oil.	10	2½	2½	2½	2½
29½	19	50+12½c	...	Pressed Metals	3030	27½	29½	27½	28
6½	3½	.	...	Price Bros.	810	5	5	4½	4½
40	22½	.	...	Do. pref.	150	36½	36½	35	35
				Q					
18	14	1	5.8	Quebec Power	135	17½	17½	17	17½
				R					
*58	40	2	...	Real Estate L'n	....	(— bid 47 asked)			
6½	4¾	.	...	Regent Knit.	260	5½	5½	4¾	5
15	12½	.	...	Do. pref.	80	14	14½	14	14
10	6½	.	...	Reliance Grain	....	(7 bid 7½ asked)			
30¾	29	2+25c▲	6.7	River S. Mills	15	30	30	30	30
6½	4¾	.	...	Rogers Majest.	45	4¾	4¾	4¾	4¾
104	95½	6	5.8	Rolland P. pf.	10	101½	103	103	103
182	164	8	4.6	Royal Bank	23	175	176	174	174½
35	30	.	...	Russell Motor	5	30½	35	35	35
110	100	7+1▲	6.4	Do. pref.	5	105	110	110	110
				S					
10½	7	.	...	Sarnia Br. (A)	50	10½	10	9¾	9¾
3	1¾	.	...	Do. (B)	....	(2 bid 3 asked)			
23¾	19½	60c	2.8	Shawinigan	1308	21¾	22	21¾	21¾
20	17½	.	...	Sher. Wms.	45	18	18	18	18
127½	117	7+1.75▲	5.7	Do. pref.	10	122	122	122	122
12	10	.	...	Simon & Son	....	11½ bid 11¾ asked			
93	85	7▲	...	Do. pref.	25	90	90	90	90
80	76	4	5.3	Simpson, Ltd.	72	76	76	76	76
12	10½	.	...	Do. (A)	....	(— bid 11½ asked)			
9	8	.	...	Do. (B)	....	(— bid 8 asked)			
117½	111½	6	5.1	Simpson, R., pf.	60	115½	117½	117	117
14	12	80c	5.9	So. Can. Pr.	265	13¾	13¾	13½	13½
100	93	6	6	Do. pref.	30	99½	100	99½	99½
2½	1½	.	...	St. Law. Corp.	2615	2½	2½	2	2½
11½	8	.	...	Do. (A)	2720	11½	11½	11	11½
50	40	2	4	St. Law. Flour.	55	42	50	50	50
125	120	7	5.6	Do. pref.	41	123	125	125	125
32	20½	.	...	St. Law. Pa. p.	1435	31½	31	30	31
9½	6¾	.	...	Stand. Chem.	....	(7½ bid 9 asked)			
2	2	.	...	Stand. Clay	....	(2 bid 9 asked)			
3.75	1.15	.	...	St. Pav. & Mat.	15	2.50	2.50	2.50	2.50
22	12	.	...	Do. pref.	....	(17 bid — asked)			
29	20	.	...	Stand. Steel, pf.	....	(26 bid 30 asked)			
66½	57	1.75+1.42½	...	Steel of Can.	1760	65	66½	65½	66½
60	49½	1.75	2.9	Do. pref.	955	58½	60	59	60
3½	3	.	...	Sterling Coal	....	(3 bid 4 asked)			
2.50	.50	.	...	Stop & Shop	....	(— bid 120 asked)			
2½	2	.	...	Supersilk H.	....	(2½ bid 3½ asked)			
72	69	3.50	5	Do. pref.	....	(— bid 72 asked)			
38	30	1	2.8	Sup. Pete. ord.	30	34	35	34	35
32½	32	1	3.1	Do. com.	....	(— bid 38 asked)			
110	109½	7	6.4	Do. pref.	....	110¾ bid 112 asked			
				T					
40	32½	.	...	Tamblyn	....	(37 bid 40 asked)			
114	110	7	6.4	Do. pref.	15	114	113½	110	110
5	1½	.	...	Thayers	....	(2 bid 3 asked)			
37	31	3.50	11.3	Do. pref.	....	(— bid 32 asked)			
3	1½	.	...	Thrift Stores	....	(2½ bid 4 asked)			
10	7½	.	...	Do. pref.	50	8½	8½	8½	8½
11	8½	.	...	Tip Top Tailors.	....	(9 bid 10 asked)			
106	102	7	6.6	Do. pref.	10	105	106	106	106
1	1	.	...	Tooke Bros.	....	(1.00 bid 3 asked)			
21	10½	.	...	Do. pref.	....	(22 bid 25 asked)			
40	34	1	2.8	Tor. Elevators	....	34 bid 39 asked)			
119	112	7	6.2	Do. pref.	25	115	114	114	114
95	88	4	4.4	Tor. Gen. Tr.	25	88	90	88	90
120	115	6	5.1	Toronto Mtge.	5	118	118	118	118
155	150	7	4.6	Tuckett Tob., p.	10	150	153	153	153
12½	8	.	...	Twin City	....	(9½ bid 10 asked)			
				U					
12½	9	.	...	Union Gas	855	10¾	10½	10½	10½
20	15	.	...	Un. Amuse. A.	25	18	20	20	20
15	15	.	...	Do. (B)	....	(15, Mar. 27)			
.90	.60	.	...	United Distill.	260	.70	.65	.60	.60
29	22	.	...	United Fuel, pf.	35	24½	24½	24½	24½
23	25	2	8	United Secs.	....	(25 bid 28 asked)			
4¾	3½	.	...	United Steel	342	3½	3¾	3½	3½
				V					
3½	2	.	...	Viau Biscuit	....	(2¾ bid — asked)			
38	18	.	...	Do. pref.	....	(30 bid 40 asked)			
				W					
31½	22	.	...	Wabasso Cot.	....	23 bid — asked)			
34¾	17¾	2	6.9	Walker-Good.	3710	28½	28½	27½	28½
19	17½	1	5.5	Do. pref.	2255	18½	18½	18	18
3¾	2	.	...	Walkerville Br.	1450	3	3½	3	3½
2½	1½	.	...	Waterloo Mfg.	50	1¾	1¾	1¾	1¾
10	5	.	...	West. C. Flour.	55	6	6½	5	5
65	50	.	...	Do. pref.	15	50	50	50	50
50	46½	2	4.1	West. Grocers	....	(49½ bid — asked)			
110	107	7	6.4	Do. pref.	....	108 bid 110¾ asked			
17¾	13½	60c	4.3	Weston Ltd.	775	13½	14	13½	14
102	100	.	...	Do. pref. new	300	100½	101	100	101
9¾	8½	.	...	Whittall Can.	15	9¾	9¾	9¾	9¾
*3	1	.	...	Windsor Hotel	....	..	..	..	..
4	4	.	...	Do. pref.	....	(3½ bid 6 asked)			
4½	2¾	.	...	Winnipeg Elec.	130	3¾	4	3½	3¾
18	10	.	...	Do. pref.	25	16	17	17	17
53	38	.	...	Wood, A. & J. p	....	(— bid 51 asked)			
67½	50	.	...	Woods Mfg., pf.	....	50 bid 60 asked)			
				Z					
3	2¾	.	...	Zimmerknit, c.	32	3	2¾	2¾	2¾
69	60	3.50▲	..	Do. pref.	....	65 bid 70 asked)			

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* Quotations for 1935. No sales recorded in 1936 to date.
† Plus $33.25 on arrears. Comprising one funding right for each preferred share.
▲ On account of arrears.
b New York quotations.
§ Plus one-eighth share of preferred stock plus one share of common stock, all payable in settlement of arrears.

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)

April 15, 1936

Dominion of Canada Bonds

		Bid Apr. 15	Asked Apr. 15	Approx. Yield	Bid Apr. 8
Dominion . 2	15 Oct. 1936	100.25	100.65	.70	100.25
Dominion . 5	15 Nov. 1936	101.95	102.45	.78	101.95
†‡Dominion . 5	1 Mar. 1937	104.00	104.50	.10	104.00
‡Dominion . 5½	1 Dec. 1937	107.75	108.10	.48	107.85
Dominion . 2½	15 Oct. 1939	102.75	103.25	1.55	102.75
Dominion . 4	15 Oct. 1939	107.50	108.00	1.66	107.50
Dominion . 2	15 Nov. 1939	101.25	101.75	1.50	101.25
Dominion . 4½	1 Sept. 1940	110.00	110.50	2.00	110.15
Dominion . 5	15 Nov. 1941	113.00	113.50	2.40	113.15
Dominion . 3	15 Oct. 1942	104.65	105.25	2.14	104.65
Dominion . 2½	1 June 1943	102.35	102.85	2.07	102.35
Dominion . 5	15 Oct. 1943	114.00	114.50	2.84	114.15
Dominion . 4½	15 Oct. 1944	112.00	112.50	2.85	112.25
▪Dominion . 2½	15 Aug. '43-45	99.15	99.70	2.54	98.90
Dominion . 4	15 Oct. '43-45	108.25	108.75	2.70▲	108.35
Dominion . 4½	1 Feb. 1946	112.00	112.50	3.01	112.15
Dominion . 3½	15 Oct. '44-49	103.25	103.75	3.00▲	103.30
Dominion . 4	15 Oct. '47-52	107.00	107.50	3.24▲	107.00
Dominion . 3	1 June '50-55	98.45	98.90	3.07	98.40
Dominion . 4½	1 Nov. '46-56	109.65	110.25	3.38▲	109.75
Dominion . 4½	1 Nov. '47-57	109.65	110.25	3.45▲	109.75
Dominion . 4½	1 Nov. '48-58	110.00	110.50	3.49▲	110.00
Dominion . 4½	1 Nov. '49-59	110.10	110.60	3.53▲	110.15
▪Dominion . 3¼	15 Jan. '56-61	100.35	100.85	3.19▲	100.25

Dominion Guaranteed Bonds

*G. T. P. Ry. 3	1 Jan. 1962	99.00	100.00	3.00	99.00
Can. N. Ry. 3	1 May 1944	102.25	103.25	2.55	102.50
Can. N. Ry. 3	15 Dec. '45-50	98.00	99.00	3.08	98.00
Can. N. Ry. 3	15 Feb. '48-53	97.00	98.00	3.15	97.00
*Can. N. Ry. 4½	1 Sept. 1951	113.00	114.00	3.33	113.00
*Can. N. Ry. 4½	1 Feb. 1956	113.25	114.25	3.50	113.25
†Can. N. Ry. 4½	1 July 1957	111.00	112.00	3.68	111.25
*Can. N. Ry. 4¾	15 June 1955	115.50	116.50	3.57	115.50
Can. N. Ry. 5	1 Feb. 1954	115.25	116.25	3.75	115.25
*Can. N. Ry. 5	1 July 1969	116.50	117.50	3.11▲	116.50
*Can. N. Ry. 5	1 Oct. 1969	117.75	118.75	3.53▲	118.00
*M. Harb. C. 5	1 Nov. 1969	118.50	119.50	3.50▲	118.50

Provincial Government Bonds

Eastern—					
N. Bruns. .. 4	1 Sept. 1954	103.25	104.25	3.68	103.25
†N. Bruns. .. 4½	15 Apr. 1961	108.25	109.75	3.89	108.25
†N. Bruns. .. 5	15 Jan. 1960	114.00	116.00	3.97	113.50
N. Scotia .. 3	2 Sept. 1945	98.75	99.75	3.03	98.75
N. Scotia .. 4½	15 May 1943	107.50	108.50	3.15	107.50
†N. Scotia .. 4½	15 Sept. '47-52	109.25	110.25	3.41▲	109.00
†N. Scotia .. 5	1 Mar. 1960	115.00	116.00	3.96	115.00
*Ontario 4	1 June 1962	103.50	105.00	3.70	104.50
*Ontario 4½	1 Sept. 1944	110.00	111.00	3.01	110.25
Ontario 4½	1 June 1950	107.50	109.00	3.69	108.50
*Ontario 4½	15 Jan. 1962	109.00	110.50	3.86	109.50
Ontario 5	15 Oct. 1948	110.50	112.00	3.82	112.00
*Ontario 5	2 Dec. 1960	116.00	117.50	3.90	116.50
Ontario 5½	1 July 1946	113.00	114.50	3.81	114.25
O. H. C. 3½-4-5	1 Oct. '33-52	100.50	102.00	4.29•	101.25
Ont. Hyd. C. 4¾	1 Jan. 1970	109.50	111.00	4.15	110.00
P. E. I. 3	1 Oct. 1945	99.00	100.00	3.00	99.00
Quebec 4	15 Mar. 1952	107.00	108.00	3.35	107.00
Quebec 4¼	1 Aug. 1958	110.00	111.00	3.53	110.00
Quebec 4½	2 Jan. 1963	112.00	113.50	3.70	112.25
Western—					
Alberta ... 4	15 Dec. '49-54	74.00	77.00	...	....
†Alberta ... 4	1 Dec. 1957	74.00	77.00	...	....
Alberta ... 4½	1 Oct. 1951	80.00	82.00	...	....
†Alberta ... 4½	1 Oct. 1956	78.00	81.00	...	....
†Alberta ... 5	1 Jan. 1948	80.00	82.00	...	....
Alberta ... 5	1 Sept. 1955	79.00	81.00	...	....
*Alberta ... 5	1 Oct. 1959	80.00	82.00	...	....
†Alberta ... 5½	1 Jan. 1947	81.00	84.00	...	....
Alberta ... 6	1 Mar. 1947	82.00	84.00	...	....
†Brit. Col. .. 4	1 Dec. 1957	....	90.00	...	....
*Brit. Col. .. 4½	15 Jan. 1951	....	94.00	...	....
†Brit. Col. .. 4½	1 Oct. 1953	88.00	91.00	...	....
†Brit. Col. .. 5	15 Jan. 1948	89.00	92.00	...	....
Brit. Col. .. 5	1 Sept. 1953	88.00	91.00	...	....
Brit. Col. .. 5½	1 Feb. 1945	89.50	92.50	...	....
Brit. Col. .. 6	15 Feb. 1947	90.00	93.00	...	....
Manitoba .. 4	2 Jan. 1950	....	97.00	...	96.00
†Manitoba .. 4	1 Dec. 1957	....	97.00	...	96.00
†Manitoba .. 4½	15 Dec. 1956	99.00	101.00	...	101.00
†Manitoba .. 5	15 June 1954	101.00	103.00	...	102.00
*Manitoba .. 5	2 Dec. 1959	105.50	107.50	...	105.00
Manitoba .. 5½	1 Oct. 1955	101.50	103.50	...	104.00
Manitoba .. 6	1 Apr. 1947	102.00	104.00	...	104.00
Sask. 4	15 Aug. 1953	84.00	85.50	...	85.00
Sask. 4	1 Nov. '55-60	83.50	85.00	...	85.00
*Sask. 4½	2 July 1945	92.00	94.00	...	94.00
†Sask. 4½	1 Oct. 1951	92.00	94.00	...	93.00
†Sask. 4½	15 Mar. 1960	90.00	92.00	...	91.00
Sask. 5	1 Aug. 1958	93.00	95.00	...	95.00
†Sask. 5½	15 Nov. 1946	95.00	97.00	...	96.00
Sask. 5½	1 Oct. 1952	95.00	97.00	...	96.00
Sask. 6	15 Mar. 1952	97.00	100.00	...	100.00

Municipal Bonds

†Calgary ... 5½	2 June 1944	....	87.00	7.67	....
†Edmonton . 5½	1 Nov. 1945	....	86.00	7.60	86.00
†Halifax ... 5	1 July 1961	112.00	114.00	4.11	112.00
Hamilton .. 5	1 May 1950	107.75	110.75	4.00	107.75
Montreal .. 5	1 Mar. 1945	102.00	104.50	4.37	104.00
Ottawa 4½	1 July 1945	107.50	110.00	3.24	108.50
†Quebec 5	1 June 1959	107.50	109.50	4.35	108.50
Regina 5	1 July 1944	82.00	86.00	7.28	83.00
St. John ... 5	15 Dec. 1950	107.50	109.50	4.14	107.50
†Toronto ... 4½	1 Jan. 1955	109.00	111.50	3.65	109.00
Vancouver . 5	1 June 1969	88.00	92.00	5.53	88.00
Victoria ... 5	21 July 1945	92.00	95.00	5.70	94.00
Winnipeg .. 5	1 Mar. 1944	100.00	103.00	4.53	103.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. •Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ▪Payable in N.Y.

NOTE: Quotations on western provincial bonds are largely nominal. In many cases business cannot be done at levels quoted between dealers.

Mining Stock Quotations

WEEK ENDED APRIL, 13 1936

Par Val.	Range 1936 High	Low	Company	Sales	Close April 6 (or last)	High for week	Low for week	Close April 13
1	.82	.54	Afton	126,610	.78	.82	.75	.80
No	.16	.07	Aldermac	18,200	.12	.12	.11	.11
1	.03½	.01½	Alexandria	8,000	.02	.02	.01¾	.01¾
No	.10½	.03¾	Algoma	78,100	.08½	.09½	.08½	.09½
No	4.95	4.10	Anglo-Huronian	480	4.55	4.60	4.55	4.60
No	.08	.02	Arno	41,900	.06	.07¾	.05¼	.07¾
1	.97	.65	Arntfield	1,500	.84	.87	.85	.87
1	.25	.12	Ashley	3,400	.12½	.13½	.12	.13½
1	.06½	.02½	Astoria Rouyn	6,600	.04½	.04½	.04	.04½
1	.11½	.05½	Bagamac	18,400	.08	.08½	.07½	.07½
1	.07	.03½	Barry Hollinger	18,700	.04½	.04½	.04	.04½
1	.40	.21	Base Metals	4,525	.27	.27	.26	.27
1	.50	.28	B.E.A.R.	17,300	.36	.44	.36	.41½
No	1.84	1.30	Beattie Gold	2,200	1.40	1.40	1.37	1.37
1	.45	.30	Beaufor Gold	14,300	.35	.35	.31	.32
1	.76	.60	Big Missouri	15,790	.64	.66	.64	.64
1	.24	.13	Bobjo	33,196	.15	.16	.15	.15
No	7.85	5.55	Bralorne	2,200	7.45	7.85	7.45	7.75
1	.40	.20	Brazil Gold	500	.25	.25	.25	.25
1	.06	.02	Brett Trethewey	10,600	.05½	.05½	.04½	.04½
50c.	.25½	.09	B.R.X. Gold	1,300	.16	.16	.15½	.16
1	6.50	3.80	Buffalo Ankerite	5,355	4.85	5.20	4.85	5.05
No	.11½	.02	Buffalo Can.	261,000	.09	.11½	.09	.10¾
5	37.00	31.50	Bulolo Gold	900	32.50	33.50	32.50	33.00
No	.18	.06	Bunker Hill	8,400	.14	.14½	.11½	.12
No	1.45	.95½	Can. Marlartic	5,875	1.10	1.16	1.10	1.16
1	1.60	1.15	Cariboo Gold	950	1.40	1.40	1.34	1.34
1	.05	.02	Cartier Malartic	500	.03	.03	.03	.03
1	1.69	1.24	Castle Trethewey	13,250	1.36	1.38	1.34	1.38
1	.25	.11½	Cen. Manitoba	7,450	.19	.19	.18½	.19
1	3.44	2.41	Cen. Patricia	24,575	3.24	3.25	3.16	3.24
No	.08½	.03½	Church M. & Mill	8,500	.07	.07½	.06½	.07
No	.06½	.03	Clericy	219,150	.04½	.06½	.04	.05¾
5	4.50	2.80	Coast Copper	15	3.50	2.80	2.80	2.80
1	.03½	.01½	Cobalt Contact	6,500	.02½	.02½	.02½	.02½
5	3.45	2.80	Coniagas	500	3.20	3.10	3.10	3.10
No	2.64	1.80	Coniaurum	4,200	2.43	2.45	2.37	2.37
1	2.30	1.10	Cons. Chibougamau	187,018	2.12	2.13	1.10	1.35
25	293.50	200.00	Cons. Smelters	1,057	284.00	285.00	273.00	275.00
No	52.00	41.75	Dome Mines	825	44.25	45.37	44.75	44.75
1	.07	.04½	Dom. Explorers	......	(.04½ bid 5 asked)			
1	.10½	.06½	Duparquet	4,000	.07½	.08	.07½	.07½
1	1.38	1.03	Eldorado	16,450	1.04	1.12	1.04	1.07
No	9.50	6.90	Falconbridge	3,995	8.90	9.00	8.75	9.00
1	.10	.03	Federal	8,500	.05	.05½	.04¾	.04¾
No	.44	.20	Francoeur Gold	4,100	.21	.22	.20	.20
1	.11	.04½	Franklin Gold	36,300	.04¾	.05	.04½	.04½
No	1.45	.75	God's Lake	103,463	.90	1.04	.89	.96
1	.28	.14½	Goldale	2,800	.22	.22	.21½	.21½
50c.	.41	.30	Gold Belt	500	.40	.41	.41	.41
1	.26½	.06	Goodfish	14,400	.14	.14½	.11½	.14½
1	.07½	.03	Graham Bosquet	4,000	.04½	.05	.04½	.05
1	.31	.18½	Granada Gold	4,832	.21	.20	.19½	.19½
No	.12	.05¾	Grandora	......	(.08½ bid .09¾ asked)			
1	.68	.21	Greene Stabell	558,708	.31	.68	.38	.60
1	.05½	.04¾	Grozelle	2,500	.05½	.04¾	.04¾	.04¾
1	.12	.08	Grull Wihksne	......	(.08 bid .12 asked)			
1	1.03	.75	Gunnar Gold	4,950	.94½	.94	.90	.90
1	.05	.02	Halcrow Swayze	5,500	.03	.03½	.03½	.03½
1	.77	.30	Hard Rock	19,100	.70	.71	.65	.71
1	.11	.07	Harker	117,700	.10	.11	.10	.11
5	17.25	13.50	Hollinger	2,962	14.75	15.00	14.75	14.87
1	.75	.55	Howey Gold	11,275	.64	.62	.57	.60
No	28.25	22.87	Hudson Bay	3,007	27.50	28.12	27.37	27.75
1	14.25	11.50	Inter. Mining	......	(12.65 bid 13.12 asked)			
1	4.50	4.10	Do., Pur. Warr.		(3.75 bid 4.10 asked)			
No	54.00	44.12	Int. Nickel	9,009	49.75	50.00	48.87	49.25
1	.58	.28½	J. M. Cons. Gold	26,415	.47	.50	.46	.50
1	.55	.40	Kerr Lake	50	.50	.55	.55	.55
1	.62	.30	Kirk. Hud. Bay	......	(.44 bid .48 asked)			
1	.58	.45	Kirkland Lake	6,510	.48	.48½	.45	.45
1	.22	.14½	Kirk. Townsite	1,000	.18	.18	.16	.18
No	.09½	.03	Lake Maron	10,900	.04¾	.05½	.04½	.04½
1	59.12	51.75	Lake Shore	1,361	54.00	53.87	53.37	53.65
1	.19	.05	Lamaque Contact	27,600	.09	.09½	.08	.08½
1	.29½	.12	Lebel Oro	50,782	.20	.20½	.19	.20
1	.06½	.02½	Lee Gold	12,700	.03½	.03½	.03	.03½
No	7.75	6.05	Little Long Lac	2,965	6.85	6.85	6.75	6.80
1	4.74	3.12	Macassa	24,643	3.75	4.00	3.74	3.89
1	.07	.01½	Malrobic	13,000	.03½	.03½	.03½	.03½
No	.33	.12	Mandy	7,450	.27½	.28	.25	.25
No	.19½	.05½	Man. & Eastern.	85,500	.16	.18½	.16½	.16½
1	.20	.05½	Maple Leaf	39,800	.18½	.19½	.17	.18
5	49.25	40.00	McIntyre	954	42.00	42.00	41.25	41.25
1	1.67	1.22	McKenzie R.L.	15,875	1.59	1.60	1.53	1.57
1	.56	.45	McKinley	......	(.59 bid .... asked)			
1	.14	.02½	McMillan	52,300	.06	.06½	.05½	.06
No	1.65	1.19	McWatters	27,500	1.23	1.36	1.22	1.33
1	.42	.21	McVittie	10,125	.24	.25	.23½	.24
5	.75	.50	Mentor Exp. & Dev.	.....	(.50 bid 1.00 asked)			
No	1.50	1.20	Mining Corp.	800	1.20	1.24	1.20	1.20
No	1.00	.07½	Minto Mines	36,150	.77½	.88	.75	.83
1	.12½	.06	Moffatt Hall	3,500	.10½	.10½	.10	.10½
1	.15	.06½	Moneta	12,600	.12	.14½	.12½	.14
1	.80	.58	Morris Kirk	9,900	.67	.68	.64	.65½
1	.04½	.00½	Murphy	41,000	.03½	.03½	.03½	.03½
No	.04	.02	Newbec	10,000	.02½	.03	.02½	.02½
1	.04½	.01½	Night-Hawk Penn.	6,000	.02	.02½	.02	.02½
5	3.05	2.40	Nipissing	551	2.70	2.70	2.50	2.50
No	55.00	44.50	Noranda	9,262	53.75	55.00	54.00	55.00
No	.44	.28½	Nor. Canada	3,100	.44	.44	.39	.39
1	.70	.34	O'Brien	11,350	.40	.50	.43	.45
1	.79	.40	Omega	7,935	.57½	.60	.56	.56
1	.14	.07	Osisko	......	(.07 bid .12 asked)			
No	4.85	3.50	Pamour	5,819	4.45	4.45	4.35	4.45
1	.31½	.18½	Parkhill	6,500	.22	.23	.21½	.23
1	.05½	.02½	Pawnee Kirk	5,010	.04	.04	.03½	.03½
1	.84½	.50½	Paymaster	23,250	.75	.77	.74½	.76
1	1.20	.85	Pend Oreille	3,400	.92	.96	.95	.96
1	1.75	1.12	Perron Gold	19,780	1.50	1.50	1.35	1.42
1	.04¾	.02½	Peterson Cobalt	7,100	.03	.03½	.03	.03
1	6.50	3.95	Pickle Crow	27,855	6.05	6.50	6.00	6.50
1	12.00	9.60	Pioneer Gold B.C.	1,090	11.25	10.37	10.25	10.37
1	.15	.04	Porcupine Crown	68,000	.09½	.10	.09½	.09½
1	2.48	1.80	Premier Gold	7,880	2.26	2.35	2.28	2.35
1	.28	.21	Preston E. Dome	26,500	.23	.28	.22	.28
No	3.25	2.45	Prospectors Air's	800	2.60	2.50	2.45	2.50
1	1.34	.90	Quebec Gold	7,450	1.23	1.23	1.20	1.22
No	.07½	.04	Quemont	......	(.06 bid .09 asked)			
1	2.20	1.43	Read Authier	5,637	2.11	2.13	2.05	2.05
No	1.21	.50	Red Lake	71,313	1.19	1.21	1.15	1.18
1	1.25	1.00	Reno Gold	5,425	1.22	1.22	1.15	1.20
1	.07½	.01	Ritchie	167,410	.07½	.07½	.06½	.07
1	.09	.04½	Robb Montbray	18,900	.05½	.05½	.04½	.04½
1	.09½	.05½	Roche Long Lac	13,000	.08½	.08½	.08	.08½
1	3.45	2.16	San Antonio	7,152	2.31	2.35	2.25	2.25
1	.79	.75	Shawkey	24,250	.78	.78	.75	.77
50c.	.72	.56	Sheep Creek	100	.68	.63	.63	.63
1	1.33	1.00	Sherritt Gordon	15,774	1.18	1.23	1.16	1.20
1	3.40	2.88	Siscoe	22,953	3.14	3.25	3.14	3.23
1	6.25	4.40	South Amer. Gold	......	(.... bid 5.35 asked)			
No	.08½	.03½	South Tiblemont	5,236	.04½	.04½	.04½	.04½
No	.39	.18½	Stadacona	43,320	.33	.34	.32	.32
1	.38½	.18	St. Anthony	4,000	.23	.23	.22	.23
No	4.95	3.00	Sudbury Basin	2,020	4.20	4.15	4.00	4.00
1	.18½	.06	Sudbury Contact	9,200	.15½	.16	.15	.15
1	.07½	.03½	Sudbury Mines	71,500	.05¾	.06¾	.05½	.06½
1	1.15	.83	Sullivan Cons.	12,778	.97	1.00	.94	.95
1	2.90	2.25	Sylvanite	5,975	2.41	2.42	2.39	2.40
1	.50	.28	Tashota	8,290	.40	.41	.38	.39½
1	5.40	4.30	Teck Hughes	9,840	4.55	4.75	4.45	4.75
1	.04½	.02	Temiskaming	90	.02½	.02½	.02½	.02½
1	1.50	1.20	Toburn Gold		(1.35 bid 1.40 asked)			
1	.37	.20	Towagmac	1,225	.32	.30	.29	.29
1	.40	.25	Treadwell	500	.35	.25	.25	.25
No	2.52	1.60	Ventures	7,910	2.16	2.18	2.07	2.15
No	1.32	1.00	Waite Amulet	4,458	1.20	1.17	1.10	1.17
50c	.21	.15	Wayside	28,200	.16½	.16½	.15½	.16½
No	.04½	.03	White Eagle	13,500	.03½	.04	.03½	.03½
1	.09½	.03	Wiltsey Coughlan	4,500	.07½	.08½	.07½	.08
1	.08	.04	Wood Kirkland	4,000	.05½	.05½	.05	.05
No	9.00	7.55	Wright-Hargreaves	4,335	7.95	7.90	7.60	7.80
No	.71	.38	Ymir Girl	100	.43	.44	.44	.44
			OIL STOCKS					
No	.18½	.14	Acme Gas & Oil	2,200	.14	.14½	.14	.14
1	.70	.50	Ajax	1,550	.54	.55	.50	.55
No	1.39	.70	Calgary & Ed.	1,280	1.34	1.34	1.30	1.30
1	.14	.05	Calmont	1,100	.10	.11	.10½	.10½
No	.10½	.04½	Common Pete	1,000	.06½	.07½	.07½	.07½
No	.78	.40	Dalhousie	3,050	.61	.61	.50	.50
No	.13½	.06	East Crest	2,500	.09	.08½	.08½	.08½
No	.70½	.35	Foothills	1,075	.60	.50	.50	.50
No	.18	.13	High Sarcee		(.16½ bid .19 asked)			
No	1.46	.70	Home	4,055	1.15	1.17	1.05	1.05
1	.43½	.11	Homestead O.&G.	88,500	.42	.43½	.41	.42½
No	.14½	.08	Lowery		(.07 bid .13 asked)			
No	.24	.13	Merland	500	.17	.17½	.17½	.17½
5	.22	.14	Nordon	46,950	.17	.21	.17½	.20
No	.07	.04½	Oil Selections	15,650	.06	.06½	.06	.06½
No	.14½	.08½	Olga Gas & Oil	2,600	.09½	.09½	.08½	.08½
1	.75	.55	Petrol Oil & Gas.		(.61 bid .75 asked)			
No	39.50	29.00	Royalite	2,905	33.50	33.50	31.25	32.00
No	.10	.04	South West Pete.		(.06 bid .10 asked)			
No	4.85	1.63	Texas Can.	12,675	4.85	4.85	4.60	4.75

VANCOUVER STOCK EXCHANGE

(Transaction for Week to April 13)

Par Val.	Range 1936 High	Low	Company	Sales	Close April 4 (or last)	High for week	Low for week	Close April 13
20c	.05	.02½	Beaver Silver	15,000	.03½	.03½	.03	.03
25c	.01½	.01	Bluebird		(.01½ bid .02 asked)			
No	7.90	5.60	Bralorne	5,999	7.40	7.90	7.45	7.80
1	.10	.02	Bridge River Cons	6,600	.07½	.07½	.07½	.07½
50c	.25½	.08½	B.R.X. Gold	15,650	.16½	.16½	.16	.16½
1	.54	.17½	B.C. Nickel	100,900	.46	.47	.31	.32½
50c	.12	.04	Canadian Rand	51,700	.09½	.12	.10	.12
1	1.52	1.15	Cariboo Gold	2,050	1.43	1.40	1.35	1.40
1	.26	.12½	Congress Gold	35,200	.22½	.23	.20½	.22½
25c	.00½	.00½	Cork Province		(.00½ bid .00¾ asked)			
No	.03½	.01	Dalhousie Mines	183,000	.01	.03½	.02	.02½
No	.36	.18	Dentonia	12,750	.21	.20	.19	.20
No	.08½	.02	Dictator	13,500	.06½	.06½	.05	.06
1	.07	.03½	Dunwell T	10,000	.06	.06½	.06	.06
No	.09½	.03	Fairview Amal.	25,500	.08½	.08½	.07	.07½
50c	.47	.35	Fawn Mining	2,000	.44	.42	.42	.42
1	.18½	.03½	Federal Gold	67,800	.12½	.13	.10	.12
1	.25	.20	George Copper	50	.20	.20	.20	.20
50c▲	.05½	.04	George Enterprise		(.04½ bid .05 asked)			
1	.02½	.01½	Georgia River	8,200	.02	.02	.02	.02
50c	.02½	.01	Glacier Creek	1,000	.02½	.02½	.02½	.02½
1	.24	.11	Golconda	1,200	.17½	.17½	.17	.17
50c	.46	.29	Gold Belt	17,050	.40	.46	.40	.45
50c	.18	.05	Gold Mountain	43,300	.14½	.16	.12	.12½
50c	.04½	.02	Grandview	17,750	.02½	.04½	.02½	.04½
No	.07½	.02	Grange Mines	23,950	.04½	.05	.04½	.04½
1	.11	.07	Grull Wihksne	2,100	.11	.10½	.10	.10
No	.05½	.02½	Haida Gold	2,000	.03	.03½	.02½	.02½
25c	14.25	13.00	Hecla	20	13.00	14.25	14.25	14.25
50c	.32	.21	Hedley Amal	25,000	.26½	.29	.26	.29
No	.05	.04	Hedley Sterling	2,000	.04	.04	.04	.04
No	.08	.02	Home Gold	16,100	.05	.05	.04	.04½
1	.03	.02	Indian Gold		(.02½ bid .03 asked)			
50c	1.40	.95	Island Mountain	3,500	1.35	1.35	1.25	1.35
1	.20	.18	Inter'tl Coal	8,836	.19	.20	.19	.19
50c	.72	.30	Kootenay Belle	14,400	.65	.72	.68	.71
25c	.00¾	.00½	Koot. Florence	500	.00½	.00½	.00½	.00½
10c	.02½	.01½	Lucky Jim	7,000	.02	.02½	.02½	.02½
No	.14½	.07½	Mak Siccar	2,000	.08½	.08½	.08½	.08½
50c	.14½	.07½	Meridian Min.	3,400	.12	.10½	.10½	.10½
No	.94	.07	Minto Mines	242,050	.79	.88	.73	.88
No	.05	.02	Morning Star	41,000	.04	.04½	.03½	.03½
1	.01	.00½	Morton Woolsey	7,000	.01	.00½	.00½	.00½
25c	.03½	.02	National Silver	6,500	.03	.03	.02½	.03
50c	.15	.07½	Nicola	9,651	.11½	.12	.10	.10
50c	.05½	.03½	Noble Five	19,500	.04	.04½	.04	.04½
No	.08	.02	Pilot Gold	26,800	.05½	.06	.05	.05½
1	11.85	9.50	Pioneer Gold	2,130	10.10	10.40	10.00	10.25
50c	.07	.04	Porter Idaho	9,140	.05	.05½	.05	.05
No	.01	.00½	Premier Border	2,500	.00½	.00½	.00½	.00½
1	.02	.01	Quatsino Copper	4,000	.02	.02	.01½	.02
25c	.13	.05	Quesnelle Quartz	41,700	.12½	.13	.12	.13
	.07½	.05½	Reliance	258,200	.....	.07½	.05½	.07½
1	.48	.30	Relief Arlington	11,600	.35	.35	.30	.31½
No	.12	.08	Reeves McDonald	760	.09	.09	.08	.08
1	1.22	1.00	Reno Gold	2,925	1.18	1.20	1.17	1.19
1	.15	.02	Reward Mining	48,900	.08½	.09½	.08½	.09
1	.03	.01	Ruth Hope		(.01½ bid ... asked)			
1	.15	.08	Sally Mines	3,400	.12½	.13	.12	.12
50c	.13½	.08	Salmon Gold	4,300	.12	.12	.11	.11
50c	.72	.55	Sheep Creek	7,000	.66	.68	.65	.66
25c	.01½	.00½	Silvercrest	28,000	.01	.01	.01	.01
20c	.02½	.01	Silversmith	3,000	.02½	.02	.02	.02
50c	.00½	.00½	Snowflake		(.00½ bid .01½ asked)			
1	.54	.43	Standard Silver	1,600	.48	.46	.45	.45
No	.24	.07½	Taylor Bridge	7,000	.14	.14	.12½	.12½
1	.27	.07	Taylor Windfall	1,700	.24	.25	.20	.20
No	.90	.65	Vidette Gold	4,235	.80	.82	.70	.72
No	.08½	.00½	Viking Gold	111,100	.05½	.06½	.05½	.06½
No	.03	.01	Waterloo Gold	3,000	.02½	.03	.02½	.03
25c	.01	.00½	Waverley Tangier	52,000	.00½	.01	.00½	.01
50c	.20½	.15	Wayside	14,800	.16	.16½	.15	.16
20c	.01½	.01½	Wellington	1,000	.01½	.01½	.01½	.01½
1	.06½	.04½	Whitewater	9,500	.05½	.05½	.05½	.05½
No	.69	.42	Ymir Yankee Girl	300	.50	.45	.45	.45
			OIL STOCKS					
1	.19	.09	Alta. Pac. Cons.	10,020	.18½	.19	.17	.18
1	.15	.05	Amalgamated	10,500	.13½	.15	.12	.12
1	.05½	.02½	Anaconda	14,000	.05½	.05½	.05	.05½
No	.05	.02	Baltac		(.03½ bid .04 asked)			
1	.12	.10½	Brit. Dominion		(... bid .11 asked)			
1	.14½	.05	Crow's Nest	4,200	.14	.14	.12	.12
No	.05	.03	Devenish	4,200	.05	.05	.04½	.05
No	.12½	.07½	Freehold	5,500	.08	.09½	.08½	.08½
No	.08	.04½	Hargal	4,000	.07	.07	.06½	.06½
No	.18	.12	High Sarcee	4,000	.17½	.17½	.16½	.17½
No	.02½	.01	Madison	1,000	.02½	.01½	.01½	.01½
No	.25	.11½	Marjon Oil	14,700	.24	.24	.23	.23½
No	.08½	.05½	McD. Segur Ex.	11,000	.07½	.07½	.07	.07
1	.40	.20	McLeod	400	.34	.32	.32	.32
No	.18½	.12	Mercury	13,925	.15	.16	.14½	.15½
1	.26	.20	Model	650	.25	.25	.22	.22
No	.15	.08	Mill City Pete	1,500	.11	.12	.12	.12
No	.13	.04	Okalta	1,200	.10½	.10	.07	.07
No	.08½	.04½	Pacalta Oil	8,300	.07½	.08	.07	.07
1	.83	.52	Ranchmen's	1,400	.66	.66	.64	.64
1	.27	.18	Spooner		(... bid .24 asked)			
No	.09½	.05½	United	5,600	.08½	.08½	.07	.08
No	.10½	.05	Vanalta	300	.08½	.08	.08	.08

Corporation Bonds

Furnished by Toronto Bond Traders Association

April 14, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Apr. 14	Asked	Bid Apr. 7
‡Avalon 'Phone.	5½	'48	101	...	101
Beauharnois	5½	'73	81½	84½	81½
Beauharnois	5	'73	27	30	27½
*Bell T'phone	5	'55	114½	117½	114½
*Do.	5	'57	118½	121½	118½
†B. C. Power	5	'60	102½	106½	103½
†Do.	5½	'60	105	108	105½
†B. C. T'phone	5	'60	105½	108	105½
†Calgary Pwr.	5	'60	100½	103½	100½
Do.	5	'64	97½	100½	97½
†Can. Nor. Pr.	5	'53	103	105½	103
Dom. Gas	6½	'45	90	93	90
§Duke-Price Pr.	6	'66	105	107	105
*Gatineau Pwr.	5	'56	95½	98½	98½
*Do., A	6	'41	88	91	88½
*Do., B	6	'41	86	89	86½
*Int'l. Hydro	6	'44	37	40	43
†Maclaren-Que.	5½	'61	85½	88½	85½
Do.	5½	'64	83½	86½	83½
*Manitoba Pwr.	5½	'51	79½	82½	81½
†Mtl. Island Pr.	5½	'57	104	107	103½
†Montreal Pr.	3½	'56	100	103	100
†Montr'l. Tram.	5	'55	85	88	85
†Do.	5	'41	102	105	102
Nat'l. L. & P.	6	'49	96½	99½	96½
†N.S. L. & Pr.	5	'58	104	107	104
†Ottawa Light	5	'57	106	108½	105½
†Ottawa Val. Pr.	5½	'70	87½	84½	81½
†Power Corp.	4½	'50	94½	97½	94½
*Quebec Pwr.	5	'68	103½	106½	104
†Shawinigan	4½	'70	103	106	103½
†S. Canada Pr.	5	'55	105	108	105
†United Secs.	5½	'52	85	88	83
*Winnipeg Elec.	6	'54	81½	84½	83
Industrial and Realty Issues:					
Abitibi Pwr.	5	'53	45½	48½	46½
†Acadia Sugar	4½	'55	99½	102½	99
†Alta. P. Grain.	6	'46	97½	100½	97½
‡Asbestos Corp.	5	'42	101	...	100½
B. A. Oil	4	'45	103	105½	103
Can. Biscuit	6½	'46	23	26	23½
Canada Bread	6	'41	108	111	108
†Can. Cement	5½	'47	105½	108	105
†Can. Paper	6	'45	102½	...	102½
‡Can. Ss. Lines.	5	'43	102½	...	102½
Do.	6	'41	58½	61½	58½
†Can. Canners	6	'50	105	107	105
C. P. R.	4½	'44	101½	104	101½
Do.	4	'49	104	107	104½
Do.	3½	'51	95½	98½	95½
Can. Rail & H.	6½	'51	54	57	51½
†Can. Vickers	6	'47	91	94	90½
Cons. Paper	5½	'61	33	36	33
†Dom. Canners	6	'40	111	...	111
†Dominion Tar	6	'49	103	105½	103
†Donnacona P.	5½	'48	70	73	69
†East. Dairies	6	'49	85	88	85
†Fam. Players	6	'48	103	...	103
†Do.	6½	'48	103	...	103
†Federal Grain	6	'49	97½	100½	97½
Fraser Cos.*	6	'50	109	112	109½
†G. Steel Wares	6	'52	101	104	100½
Gt. Lakes Pap.	6	'50	51½	54½	52½
†Gypsum, Lime.	5½	'48	95	90	94½
Ham. Cottons.	5½	'48	102	...	102
*Hinde & Dauch	5½	'48	102½	...	102½
Inter City Bak.	5½	'48	103	...	103
Kingston Elev.	6	'50	95½	98½	95½
Lake St. John P. & Pa.	6½	'47	94	97	93
Lon.-Can. Inv.	4½	'48	90	93	90
London Rlty.	6	'50	93½	...	93½
†Massey-Harris.	5	'47	92	95	90½
McColl-Front.	6	'49	104½	107	104½
†Mercury Mills.	5½	'53	66	70	67
Met. Building	7	'44	100	...	100
M. & O. Paper	6	'45	32	35	33
Mtl. Dry Docks	6	'48	84	87	84
N. Ont. Bldg.	6	'39	97½	...	97½
Ontario Bldg.	6½	'48	34	37	34½
Price Bros. bds.	6	'43	123½	126½	119
*Prov. Paper	5½	'47	102	104½	102
Queen's Hotel.	6	'47	92	95	92
*Reliance Gr.	6	'48	103	106	102½
Rich. B. Bldg.	6½	'47	97½	...	97½
‡Riordon Pulp	6	'42	104½	...	104½
Ritchie Cut Stone	6½	'48	95	...	95
†Rolland Paper.	5½	'48	104	107	104
Ruddy & Co.	6½	'48	98½	101½	98½
†Simpsons Ltd.	6	'49	104½	107	104½
Do.	5½	'49	102½	...	102½
†Smith, How'd.	5½	'53	104½	107	104½
‡Steel of Can.	6	'40	112½	...	112½
Toronto Carpet	6	'44	103	...	103
United Corpns.	5	'53	94	97	94
United Grain	5	'48	97½	100½	97½
Do.	5½	'49	102	105	102
Zimmerknit	6	'51	96	...	96

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. §Payable in U. S. only. *Payable in Can. or U. S. *Unstamped.

Unlisted Mines

April 14, 1936

	Bid	Asked
Albany River	.42	.45
Ardeen	.18	.21
Arno	.07	.08
Athona (Gt. B. L.)	.38	.41
Athabaska Portal	.20	.22
Bailor	.03½	.04½
Bidgood Kirkland	.98	1.03
Bankfield Gold	.38	.40
Big Master	.32	.34
Bosquet Gold	.10	.12
Can. Pandora	.06	.07
Can. Kirkland	.02¾	.03½
Capital Rouyn, new	..	.16
Casey Contact	.03½	.04
Canusa Mining	.27	.32
Central Porcupine	.15	.17
Chromium	2.27	2.32
Condor	.08½	.09½
Corless Patricia	.25	.35
Cuniptau	.21	.23
Dunlop, new	.10½	.11½
Dorval Siscoe Gold	.16	.18
El Bonanza	.05½	.06½
East Malartic	.32	.35
Glenora Gold	.22	.24
Galatea	.07	.08
Gilbec	.09	.10
Gold Eagle	.43	.46
Goldside	.10½	.11½
Greenlaw	.06	.07
Horseshoe	.03	.05
Hudson Patricia	.18	.20
Jellicoe	.05½	.06½
Johnson Nipigon	.04½	.05¼
Jowsey	.26	.28
Kaw Crow	.24	.27
Keora Mines	.05½	.06½
Kirk. Gold Belt	.10	.12
Lafayette L. Lac	.02¾	.03¼
Long Lac Lagoon	.03½	.04½
Lamaque Gold	2.65	3.85
Leitch Gold	.42	.45
Madsen Red L.	.44	.46
MacL. Cockshutt	.37	.39
Magnet Lake	.05	.06
Matachewan Can.	.16	.18
McCarthy Webb	.14	.16
Mosher	.06½	.07½
Moffatt Hall	.09	.10
Moffatt Hall (new)	.36	.38
Manitoba Basin (new)	.05¾	.06¼
North Shores	.03½	.04½
Norlake	.38	.40
Okend	.21	.23
O'Leary	.09	.11
Opemiska Copper	1.30	1.40
Opemiska Mines	.15	.16
Oriole	.08	.09
Pascalis	..	.21
Proprietary M.	.35	.40
Phoenix	..	.40
Rice Lake	..	.06
Sladen	.32	.34
Slave Lake	.45	.50
Smelter Gold	.06	.07
South Keora	.09	.10½
Springer	.07	.09
Straw L. Beach	.11	.13
Sturgeon R. Gold	.40	.45
Thompson Cadillac (new)	.27	.29
Wells Long Lac	..	.07
Wingold	.08	.10
Wendigo	.21	.23
Young Davidson	.27	.29

Listed Bonds

Week Ended April 13, 1936

	Int. rate	Due	High	Low	Range 1936 High	Low
Mtl. L. H. & P. Debs	3	'39	50¾	50½	51	50
McNish	6	'49	3.15	..	3.75	3.00
Mtl. Tram. A	6	'55	84½	..	87	84
Unlisted:						
Can. Steam.	6	'41	59½	..	60	59
Beauharnois	5½	'73	81¾	..	81¾	..

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

April 14, 1936

Industrial Stocks:	Bid	Asked
Acadia Sugar, com.	4.15	4.40
Do., pfd.	4.85	5.10
Acme Farmers Dairy, pfd.	38.00	40.00
Algoma Steel New, com.	50.00	53.00
Do., new, pfd.	63.00	66.00
Andian National	48.00	49.00
Assoc. Tel. & Tel., pfd.	46.00	47.75
B. C. Pulp & Paper, com.	1.00	1.50
Do., pfd.	7.50	10.00
Burns & Co., A	11.00	13.00
Do., B	5.50	7.00
Canada & Dom. Sugar	58.00	59.50
Canada Starch, pfd.	90.50	93.50
Canada Tea, pfd.	35.00	...
Can. Tube, 1st pfd.	49.00	...
Can. Wire & Cable, pfd.	99.00	101.00
Can. Industries, A, com.	221.00	...
Do., B, com.	220.00	224.00
Do., pfd.	157.50	160.00
Can. Ingersoll Rand	119.50	124.00
Can. P. & Paper Inv. pfd.	6.00	...
Can. Westinghouse	63.00	65.00
Chase, pfd. bonus	25.00	28.50
Conduits Nat., new, com.	2.50	3.00
Dom. Found. & St., c. (new)	35.00	37.50
Do., pfd. (new)	86.50	90.00
Dom. Rubber, pref.	98.50	101.00
Dunlop Tire, pfd.	65.00	67.50
East. Dairies, pfd.	14.00	15.50
Edm. City Dairy, pfd.	60.50	...
Federal Grain, com.	2.00	3.50
Do., pfd.	57.00	60.00
Goderich Elevator	7.75	8.50
Greening Wire, pfd.	104.00	106.50
Guelph Carpet, pfd.	104.50	106.25
Do., com.	16.00	17.50
Highland Dairy, com.	2.50	...
Do., pfd.	80.00	...
McLaren Power, com.	10.25	11.50
Morrow Screw, pfd.	93.50	...
New Meth. Laund., pf. bon.	77.50	80.50
Provincial Paper, pfd.	101.00	102.00
Reliance Grain, 6½% pfd.	85.50	88.00
Rob. Cons. Cone	8.75	9.50
Ruddy, E. L., pfd.	40.50	...
Silverwood's Dairies, pfd.	...	43.50
Std. Fuel pfd. bonus	106.00	108.00
Supertest Pet. B, pfd.	27.75	29.00
Toronto Carpet, com.	30.00	...
Do., pfd.	37.50	...
United Steel, A, pfd.	5.75	6.25
Western Grain, pfd. bonus	17.50	20.00
Western Grocers, pfd.	108.50	110.50
Trust & Loan Stocks:		
Chartered Trust	78.00	83.00
Guelph, Ont. Inv. Sav.	47.00	51.00
London & West. Trust	53.00	...
Sterling Trust	36.00	...
Traders Fin. B, pfd.	71.00	80.00
Trusts & Guarantee	40.00	41.50
Insurance Stocks:		
British America	40.00	42.50
Canada Life	526.00	535.00
Canadian Fire	73.50	82.00
Can. Ins. Shares, com.	12.50	15.00
Confed. Life, 20% pd.	116.50	121.00
Cont. Life, 20% pd.	37.50	40.00
Crown Life	105.00%	...
Dominion Fire	115.00	...
Dominion Life, 50% pd.	261.00	300.00
Dom. of Can. Gen.	117.00	...
Empire Life, 25% pd.	7.00	8.50
Excelsior Life, 30% pd.	68.50	72.00
Federal Fire, 25% pd.	40.00	...
Fidelity Ins. of Can.	47.50	51.00
Great West Life	388.00	395.00
Guar. of N. A. fully pd.	251.00	...
Halifax Fire	21.75	22.75
Imperial Life	331.00	...
Manufacturers Life	266.00	274.00
Monarch Life, 10% pd.	19.00	21.00
National Life, 25% pd.	45.00	51.00
Sovereign Life, 25% pd.	17.00	20.00
Sun Life	530.00	550.00
Toronto General	4.50	5.40
Western Assur., com.	41.00	...
Do., pfd.	39.50	42.00
Theatre Stocks:		
Allens Beach, pfd.	57.00	62.00
Do., Calgary, com.	5.00	7.00
Do., Kingston, pfd.	55.00	...
Do., Parkdale, pfd.	46.00	50.00
Do., Toronto, pfd. bon. c.	28.00	32.50
Eastern Theatres, c.	4.50	5.00
Do., pfd.	75.00	80.00
Loew's London, pfd.	2.35	2.75
Do., Toronto, pfd.	112.00	115.00
Mansf. Theatre, pfd.	31.00	...
Para. Kitchener, pfd.	40.00	...
Do., Oshawa, pfd.	85.00	...
United Amusement, A	18.00	20.00
Do., B	16.00	....
Investment Trust Shares:		
Can. Gen. Invest.	8.05	8.20
Can. Investors	7.55	8.15
Can. Int. Inv. Tr. Units	62.50	...
Cons. Div. Std. Sec. Units	12.75	13.50
Debenture & Sec. pfd.	52.00	...
Dom. Scott. Inv. Units	29.50	32.00
For. Power Sec. pfd.	14.00	16.00
Invest. Foundation Units	52.00	54.00
Sec. Holding Units	21.50	23.50
United Corpns., A	23.50	24.50
Do., B	9.60	10.25
Power Issues:		
Calgary Power, pfd.	80.50	83.00
Can. Pub. Service, pfd.	22.00	26.00
Can. West. Nat. Gas, pfd.	97.00	99.00
Do., com.	28.00	...
Great Lakes Pwr., pfd.	86.00	91.00
Inter. Util. 7.00 pfd.	79.00	...
Nor. Ont. Power, 6% pfd.	99.25	101.50
Nova Scotia L&P pfd.	100.50	103.50

Winnipeg Stocks

(Transactions from Apr. 4 to Apr. 13)

	Sales	High for period	Low for period	Close Apr. 13
Bailor Gold	12,700	.04½	.03½	.04
Can. Rand	5,100	.11	.10	.10½
Cons. Goldfields	5,000	.10	.09	.10
Can. Fire	4	77	77	77
Cres. Cream	5	35	35	35
Forty-Four	50	2	2	2
Flin Flon	1,300	.25	.24	.24
Gold Lake	2,100	.40	.38	.38
Knee Lake	5,000	.04	.04	.04
Kingfisher	7,000	.02	.01½	.02
Gurney Gold	100	.40	.40	.40
Island Lake	500	.03½	.03½	.03½
Oriole	1,000	.09½	.09½	.09½
Ore Grande	3,900	.09½	.08	.08½
Optic Lake	10	1½	1½	1½
Rice Lake	1,500	.05	.05	.05
Sladens Mal.	200	.35	.35	.35
United Grain	7	13½	13½	13½
Wingold	6,550	.07½	.06	.06
Wylie Dom.	500	.35	.33	.35
West. Brew.	30	2	2	2
Rice L. Units	42	4	3½	3½
Scotia	2,000	.05	.05	.05

Stocks Not Traded in During Week

	Bid	Ask.
Beaver Fire Ins.	..	100
Can. Indemnity	125	..
City Dairy, A	..	8
Comm. Securities	..	10
Home Invest.	25	..
Pelissiers	..	1
Do., pref.	50	..
Traders Bldg.	71	..
West. Steel, pf.	6½	..

*Stocks more active on other exchanges not included.

Mining Dividends

	Rate	Close Apr. 13	Yield %
Anglo-Huronian	20c	4.60	..
Bralorne	10+5	7.75	..
Buff. Ankerite	20c	5.05	3.9
Bulolo Gold	2.60	33.00	8
Cariboo	10c	1.34	7.5
Coniagas†	12½c	3.10	..
Cons. Smelters	$2.50+$4	275.00	..
Dome Mines	$2+$3	44.75	8.9*
Falconbridge	30c	9.00	2.8
Hollinger	65c+25c	14.87	6*
Howey Gold	5c	.60	..
Hudson Bay	$1	27.75	..
Int. Coal & Coke‡	1c	.19	..
Inter. Mining	60+5	12.12	5.4*
Int. Nickel, c.	$1	49.25	2
Kirk. Lake‡	3c	.45	..
Lake Shore	$2+$2	53.65	7.4*
Macassa	15c	3.89	..
McIntyre	$2	41.25	4.8
McKinley Sec.	5c	.56	..
McWatters Gold†	5c	1.33	..
Nipissing	25c	2.50	..
Nor. Can. Mining	2c	.39	..
Noranda	$2	55.00	3.6
Pickle Crow†	5c	6.50	..
Premier	12c+1c	2.35	5.5*
Pioneer, B.C.	80c	10.37	7.7
Reno	12c+2c	1.20	11.7*
San Antonio	21c	2.25	9.3
Siscoe	20c+1c	3.23	6.5*
So. Amer. Gold	30c	6.00	5
Sylvanite	20c	2.40	8.3
Teck-Hughes	40c	4.75	8.4
Toburn	8c	1.33	6
Wright-Har.	40c+20c	7.80	7.7*
Ymir Yankee†	2c	.44	..

‡Interim. †Initial. *Yield includes bonus.

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3. Reply by telephone or telegraph.
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Algoma Consolidated

I hold some preferred stock of Algoma Consolidated Corp. Can you give me some information on this company?

It is very doubtful whether the preferred shares of Algoma Consolidated Corp. have any value. Assets of the company amount to about $3.6 millions. Of this amount only a small fraction could be realized in event of liquidation. The company's main asset, in addition to current assets of $250,000, is $4.4 millions principal amount of bonds of Algoma Central and Hudson Bay Railway, which are in default. These bonds are carried in the books of Algoma Consolidated at $3 millions, but the market value is only a small fraction of this figure. Against these assets of Algoma Consolidated there is $3 millions of five per cent income debentures senior to the preferred stock.

Canada Cement

Do you consider Canada Cement common a good investment at present prices?

Canada Cement common stock appears to be liberally valued at $7¼ a share, since earnings amounted to only 39 cents a share even in the boom year 1929.

United Amusement

Will you be kind enough to let me have your views on the current position of United Amusement Corp. Also I would like to know what the current market is on the bonds.

United Amusement Corp. own and operate a number of motion picture theatres, centring on the Montreal area. Its record of earnings over a number of years has been a satisfactory one, bond interest, depreciation and other charges having been earned by a comfortable margin. The bonds of the company are currently bid at 98 to 100.

D. W. & P. Debentures

Are Duluth, Winnipeg & Pacific four per cent debentures guaranteed by the Canadian Government? Is an investment in them secure?

Duluth, Winnipeg and Pacific four per cent first mortgage debentures are not guaranteed by the Dominion, and are payable only in London. This line is rather valuable to the C.N.R., and the debentures sell at 87 to 90. However, they are not as secure as guaranteed debentures would be.

Can. General Investments

I am considering the purchase of Canadian General Investments common stock. What is your view of these shares?

In buying shares of Canadian General Investments at $8 each, you get a proportionate interest in about $12 per share worth of good securities held in this investment trust's portfolio. The yield is five per cent from the 40-cent dividend. Earnings were 46 cents a share last year. Provided earnings continue to rise, we understand consideration will be given to an increase in dividend this year. The management and directorate of the trust are of high quality, including Rt. Hon. Arthur Meighen, C. H. Carlisle, and similar men of prominence.

Beauharnois

I hold first mortgage bonds of Beauharnois and would like to know whether or not I should sell. Do you think this would be a good move?

The Beauharnois Power situation is still uncertain. As you are probably aware, the company has issued notices calling a meeting of the bondholders for this month, in order to form protective committees. There is no suggestion, at the moment, that the company will default interest on its first mortgage bonds, though this is always a possibility. It would appear that the market has discounted the situation, but whether or not you should hold the bond depends very largely upon your own financial circumstances.

Abitibi Power

A broker has advised me that he believes that Abitibi Power and Paper common stock will shortly reach $10 a share. I do not see how this is possible. Can you let me have your opinion?

Abitibi Power and Paper Co. is still in receivership. Its earnings under receivership have not yet reached the point where bond interest is covered, or indeed any bond interest is earned if depreciation at the rate charged five years ago is deducted. In any plan of reorganization that may develop the bonds have the right to have arrears of interest considered, and the preferred stock to have accumulated dividends taken into account, before the common stock is considered. It is therefore difficult to conceive how any plan under existing conditions could make the present Abitibi Power and Paper common shares worth the amount you mention.

Crown Savings

We understand that Crown Savings and Loan Co., Petrolia, Ont., is being taken over by Industrial Mortgage and Trust Co., Sarnia. Can you give us any details of the terms of the merger and if you consider the debentures to be amply secured?

Merger of Crown Savings and Loan Co. and Industrial Mortgage and Trust Co. has been ratified by shareholders of both companies. Under the agreement, Industrial Mortgage takes over all the assets of Crown Savings and, after providing for liabilities to creditors, the surplus assets are to be realized upon by an advisory board of three members appointed by shareholders of Crown Savings. Proceeds from the realization of these assets will be distributed to shareholders of Crown Savings, such distribution to be made after payment of 5 per cent to Industrial Mortgage.

At the end of 1935, Crown Savings had debentures and deposits outstanding of $249,057. These were secured by liquid assets of $93,932, mortgages of $425,402 and other net assets of $65,758, a total of $585,192. In other words, liabilities to the public are covered 2.3 times so that the position of debenture holders seems secure. In any event, under the terms of the merger, Industrial Mortgage "shall pay and satisfy such liabilities in due course."

Fanny Farmer

I would appreciate a brief report on Fanny Farmer Candy Shops. What are the prospects of expansion in earnings?

Sales and earnings of Fanny Farmer Candy shops have shown considerable expansion during the past few years. A further increase is dependent upon a continuance of business recovery and on the company's expansion programme. Expectations are that the company will continue to expand its chain during the current year, and the outlook would appear to be that sales and earnings will show a further advance, although these may be gradual.

The company enjoys a very strong liquid position, current assets amounting to $1.2 million as against current liabilities of $150,000. It will be seen from this that the company is in a good position to carry on its expansion programme. Profits in 1935 were equivalent to $1.28 a share on the stock, compared with $1.06 in the previous year.

Cuban-Canadian Sugar

I would appreciate any information you may have on Cuban Canadian Sugar and what the prospects are for the stockholders.

There is little or no hope for shareholders of Cuban Canadian Sugar. We understand that banks control the company and it is doubtful if any of the assets will be available for distribution to shareholders. For further particulars, we would suggest that you write to the Secretary, c/o Royal Securities Corp., Montreal.

Montreal Tramways

There seems to be a lack of interest in the common stock of Montreal Tramways Co. Is this due to political uncertainty in Montreal and just what has taken place?

Montreal Tramways is having difficulties with the city council of Montreal. Some of the aldermen feel that the company's contract should be revised so as to cut down the payment of capital and in turn increase the surplus so that the Montreal Tramways Commission can pay $500,000 annual rental to the city. At the same time there are the municipal elections in the offing and other aldermen are agitating for the abolishment of one-man street cars. Further, the city council has prepared a bill for submission to the Quebec legislature, which would give the city authority to abolish the use of one-man cars and to expropriate the property after 1937. Meanwhile the political agitation makes for unecrtainty.

Donnacona Paper

I would like to have from you particulars of Donnacona Paper Co.'s funded debt. Did not the company carry out a reorganization a few years ago and what is the present proposal?

In June, 1932, Donnacona Paper Co. carried out a reorganization. At that time the company had outstanding $6.5 millions of 5½ per cent first mortgage bonds due 1948. Under the reorganization, interest on the bonds for the 2 years ending Feb. 1, 1936, and the sinking fund payments due up to Feb. 1, 1939, were deferred. For these concessions the bondholders received 121,804 class A shares, equal to 18½ shares for each $1,000 bond.

While the position of Donnacona has improved, the company is not in a position to fulfill its obligations this year and another reorganization is proposed. It is provided that the interest payment due Feb. 1, 1936, together with sinking fund payments, be cancelled, in return for which the bondholders will receive 2 shares of class A stock for each $100 of bonds held. The maturity date of the bonds is to be extended from Feb. 1, 1948, to the same date in 1956, while the rate of interest is to be changed from 5½ per cent to 3 per cent from Feb. 1, 1936, to the same date in 1937; 4 per cent from Feb. 1, 1937 to Feb. 1, 1938, and 4½ per cent from Feb. 1, 1938 to maturity. Other modifications are made in regard to the sinking fund.

Bruck Silk

Would you please let me have details in regard to bonded debt of Bruck Silk Mills?

Toward the end of 1925 Bruck Silk Mills issued $550,000 of first mortgage bonds. These bonds are payable in Canadian and American funds and are now callable on 60 days notice at 103. Through the sinking fund the amount of the outstanding bonds was reduced to $444,900 as at Oct. 31, 1935. At the same date the equity back of the first mortgage bonds was $3,862 per $1,000 face value of bonds. Interest on the first mortgage bonds has been earned over 7 times, after depreciation, in the last three years.

Atlantic Utilities

Would you please give me information regarding Atlantic Utilities and also their rights? The latter have been recommended to me and I am told that they are selling at about $2.60 a right, and that the yield would be at that rate about 5.85 per cent. Is this statement correct?

Atlantic Utilities is a subsidiary of Maritime Telegraph and Telephone Co. It owns all the shares of the Island Telephone Co. which operates a telephone system on Prince Edward Island. It has outstanding $500,000 of 5 per cent first mortgage and collateral trust bonds; $100,000 6 per cent first (closed) mortgage bonds and 270,000 shares of common stock. All of these securities are owned by Maritime Telegraph and Telephone Co.

Participating dividend rights in Atlantic Utilities were given as a bonus to common shareholders of Maritime Telegraph in April, 1931, on a basis of one share for each share of the parent company. The last record we have is that a dividend of 15 cents is being paid by Atlantic Utilities, which would give a yield of around 5.80 per cent on a valuation of $2.60 a right.

Beauharnois

Will you please tell me what new contracts Beauharnois has secured? Also will the company have sufficient revenue by 1937 to take care of its bond interest charges?

Since the loss of the Ontario Hydro business, Beauharnois Light, Heat & Power Co. has only made one new power contract, namely, that with the St. Lawrence Alloys for 20,000 h.p. Revenue from this additional business will amount to about $250,000 annually, which with the Montreal Power revenue, may provide the company with sufficient income to cover interest on its 5½ per cent first mortgage bonds. There is little likelihood of the company having sufficient revenue to cover interest on the Beauharnois Power Corp. 5 per cent collateral trust bonds by 1937.

B. Greening Wire

Would you kindly send me the latest information you have on B. Greening Wire Co., of Hamilton?

While we have no definite information re sales and earnings of the B. Greening Wire Co. in the current fiscal year, we understand the company is not affected favorably by provisions of the Canada-United States trade agreement. This, however, should be offset to some extent by improving economic conditions in Canada.

Sales for the year ended June 30, 1935, showed an increase of 9 per cent over 1934. Earnings for the year were $148,898. After provision for all charges, including $65,000 for depreciation, profits available for preferred dividends were $62,685. The dividend on $650,000 of seven per cent preferred stock was $45,500, so that over $17,000 was added to surplus account, bringing the total to $532,365. Working capital at June 30 last amounted to $430,000.

Moirs

I hold some of the preferred stock of Moirs Ltd. and would like to know if there is any prospect of a return on the investment.

Moirs Ltd. recorded progress in 1935, but the position of the company is such that the preferred shareholders can expect but little for some time to come. Stockholders can only hope, until the company re-establishes its position.

Canadian Celanese

I have been considering purchasing some of the income funding rights of Canadian Celanese, but before taking any action, would like to have particulars of this security. I understand that through a sinking fund these rights will be retired in 10 or 11 years. Is that right?

Under the plan for funding arrears of dividends on the preferred stock, Canadian Celanese issued 90,000 income funding rights of no par value. These rights are redeemable at $25 each by call or in the open market, or by private contract at less than $25. Each year the company is to set aside $122,400 before preferred dividends to provide for interest on these rights, the balance to be set aside as a sinking fund for redemption purposes. As the rights are entitled to non-cumulative interest at the rate of $1 per annum, it is apparent that the company will take more than 10 or 11 years to retire the rights through this reserve.

Intelligent Selection

Investor Chooses 7 Bonds, 4 Preferreds and 18 Common Stocks for Retention Following Retirement from Business

With a view to retiring from my business, I have been making conversions of my investments. With the intention of having safety of principal and dependable income—comparatively speaking, of course—I have made the investments listed here:

List of Securities

Bonds:

$2,000	Mersey Paper	6%	1949
1,000	McColl-Frontenac	6%	1949
1,000	Famous Players	6%	1948
1,000	B. A. Oil	4%	1945
1,000	Shawinigan	4½%	1970
1,000	Int. P. & P. Co. of Nfld.	4½%	1968
1,000	Gatineau Power	5%	1956

Preferred Stocks:

25 Canadian Celanese
50 Can. Goodyear
100 H. Walker-G. & W.
15 Howard Smith

Common Stocks:

100 Noranda
75 Steel of Can.
150 Imperial Oil
100 B. A. Oil
25 Page-Hersey
75 Borden Co.
50 F. N. Burt
100 Loblaw, A
75 Can. Malting
25 L. Shore Mines
25 Bell Telephone
75 Nat. Breweries
200 Imp. Tobacco
40 Laura Secord
50 Bank of Can.
50 Montreal Pwr.
50 Bldg. Prods., A
20 Can. & D. Sugar

I know the proportion in good bonds is small. However, I have converted what otherwise would be high grade bonds into annuities, and this accounts for the large proportion of common shares in the list.

I have $10,000 additional cash for investment and would appreciate your comments on what I have done and on the problem of investing this cash.

You have an intelligently selected list of securities in companies which, on the whole, have established their ability to benefit from booms and to weather depressions.

Under present low interest rates, it seems probable that your higher coupon bonds may be redeemed sooner or later and refinanced at reduced rates. If this occurs, you cannot very well avoid some loss of income unless you choose to add to your less stable investments.

Banking on Recovery

Evidently you are banking to a considerable extent on continuation of economic recovery in which you would participate from your equity holdings. This may be the correct appraisal of the outlook, but it is just as well to guard against adversity also. Hence, in investing your additional $10,000 you might consider holding some medium or short-term government securities. This would give you liquidity in case you require funds at some future time when securities markets may be depressed. You lack this at present since you have disposed of your most liquid securities to buy your annuities.

Another possible use for your cash funds would be in securities of investment trusts, and you might investigate these as you have done in buying your present investments. Also, there are some convertible bonds such as C.P.R. 3's, 3½'s and 4's, that may suit your purposes. Convertible or participating preferreds would give you the double-barrelled prospect of steady income with the possibility of increase.

On the whole, considering the diversity of your sources of income, the list does not leave a great deal of room for criticism.

Dominion Foundries

I hold some preference shares of Dominion Foundries and Steel and would appreciate any recent information you may have about the operations of this company.

Operations of Dominion Foundries & Steel have shown considerable improvement during the past two years, and the company is earning preferred dividends by a comfortable margin. In 1934, net profits amounted to $13.76 per share on the preference stock. While the 1935 report is not yet available, we are informed that an even better showing was made in this period. Preferred dividends are being paid regularly.

During 1935, there was a general increase in sales throughout the entire line of the company's products, and indications are that this trend will continue throughout 1936. Sales during the year to date have been ahead of last year. The company's new tinplate mill is expected to be an important factor in increasing the company's profits.

Ontario Loan

Last week in answering an enquiry on Ontario Loan & Debenture Co., London, you did not reply categorically to the subscriber's final question about the company: "Was it in difficulty early in the depression?" Why did you not give a definite answer?

It was our belief we had answered the question by the information given to the subscriber. We cited the company's strong financial position, the fact that earnings never went below $6.30 a share and that dividends of $6 a share have been earned and paid throughout the depression. The company has not been "in difficulty" at any stage of the depression.

Massey, Cockshutt

What are the prospects of recovery for Massey-Harris and Cockshutt Plow?

Both Massey-Harris and Cockshutt Plow are in the same boat, in that they depend for earnings on recovery in the purchasing power of farmers throughout Canada. Massey-Harris, because of its plants in the United States and in Europe and its interests elsewhere on the globe, depends on world recovery to quite a large extent as well.

Cockshutt Plow common stock has a certain advantage over Massey-Harris common, in that it is the only security outstanding. Cockshutt has no funded debt, and though its bank loans are still high, its position is quite strong.

The Woman Investor

Investing $500

WHAT are the attractive income opportunities for a woman with $500?

To many women who have saved that amount there appears to be no use for it other than as a "nest egg" in the bank. At current interest rates little can be earned, however, from a $500 savings account, although the woman who chooses to keep her money in the bank at least knows it is safe and quickly available.

One woman writes The Financial Post in connection with the investment disposal of exactly $500. Her position is typical of many others, since she is married and the family's income from her husband's earnings is sufficient to provide for all current expenses, premiums on life insurance, and leave a small margin in cash.

But her position is not typical so far as her investment policy to date is concerned. Unlike most women with limited means, who place their resources in ultra conservative investments, The Financial Post's correspondent has already invested $800 in a speculative brewery stock. She is justified in reversing the usual practice, however, since in her case consideration of safety is secondary, due to her husband's income. Consequently she has sought speculative as well as income advantages.

* * *

Three Choices

WHAT then, should she do with the additional $500 in cash?

She may either place the money in additional speculative securities, knowing that her family's income is based on the established earning power of her husband, or if she merely desires to increase her savings she can buy a bond to yield her 4½ or 5 per cent.

A third choice, and one which appears to hold advantages not present in the other two is that she can, with possible profit, invest in sound industrials or oils where income is reasonably assured from current dividends and prospects, and which are also securities having an established speculative interest on the stock market. Because of the latter fact, she may be able to realize profits from possible market appreciation in the price of such stocks.

Yet, most women with $500 may reasonably adopt the rule that it is wise to first acquire a gilt-edged "nest egg" before apportioning a further part of their savings for speculative income purposes.

Rackets

False Advertising

USE of classified advertising columns in daily newspapers by racketeers is not new, but a new development of the idea by a would-be super-salesman has come to light in Eastern Canada.

Advertised as "slightly used," refrigerators have recently often been offered for sale by persons supposedly "forced to leave the city." A discount was offered for cash, with the lure that "very lenient" terms could be arranged.

Prospective purchasers were offered a refrigerator "selling slightly under $250," according to the advertisement, but it was found that the actual retail price was $160, and the price quoted by the supposed owner was only $11 less than the retail figure.

* * *

Sold and Re-sold

A DOWN payment of $5 was made, however, in one case, and a receipt given. But on calling for delivery, the purchaser found that the refrigerator had already been sold.

Told that he could apply the $5 payment on a new refrigerator, the deluded purchaser discovered that the supposed owner of the "slightly used" machine was in reality a salesman for a retail store selling refrigerators.

Not content with one advertisement of the "slightly used refrigerator," the enterprising salesman followed it with several others. Details of the scheme have been placed before Crown authorities for consideration under the false advertising laws.

Dominion Bank Action Maintained

Right to Sell Dominion Square Securities Upheld by Court

From Our Own Correspondent

MONTREAL.—Right of the Dominion Bank to sell securities of Dominion Square Corp. to satisfy advances of $800,000 to Marco Leon and associates on the Dominion Square Bldg. in Montreal, has been upheld by a Superior Court order.

The judgment quashes a conservatory attachment placed by Leon upon the securities held by the bank which had been advertised for sale in Toronto for February 10 last, the seizure halting the proposed auction.

In June 1928, Marco Leon, together with Harry Law and Charles Burns, hypothecated certain securities of Dominion Square Corp. with the bank to cover advances to an aggregate of $1.5 million. Upon expiry of all delays stipulated in the agreement, Leon and his associates were shown to have been indebted to the bank for $800,000. Notice was then given of the intention to sell, whereupon Leon opposed the sale with the contention that subsequent agreements with the banks rendered inoperative the original deed of hypothecation. The courts disagreed with this view.

B. C. Fishermen Protest Treaty

From Our Own Correspondent

VANCOUVER. — British Columia fisheries interests are still giving close attention to the proposed new international salmon treaty to regulate sockeye fishing in the Fraser River area.

B. C. fishermen believe that in the proposed treaty the United States has taken the lion's share of benefits particularly in the matter of boundaries, the regulated areas in Washington state waters being far less extensive than corresponding areas in British Columbia, the waters between the 48th and 49th parallels being left wide open to American seiners.

The radical suggestion that regulatory control be extended to cover all waters in which the sockeye is found at any stage in its life has been considered, but the general feeling is that if the fish are to be saved from complete depletion, action cannot be declared much longer. The early run is practically gone already.

British Columbians wish to save the Fraser River from the fate suffered by the Columbia as a result of hydro-electric development.

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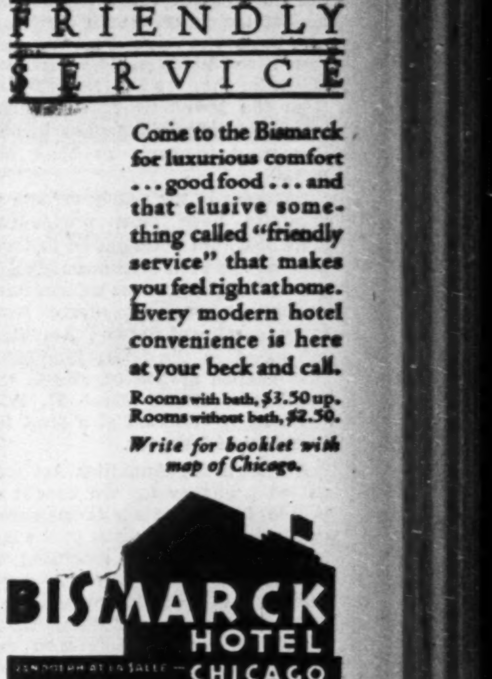

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The Venus "colloidal" process refines clay and graphite until *finer than smoothest face powder*—until, in solution, they will readily pass through filter paper. Isn't this conclusive proof of unequalled smoothness? The minute particles also permit better mixing of ingredients, resulting in a stronger, more uniform lead. 17 precise shades of black—10c each.

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Bank Chat

Government Annuities

ESTABLISHMENT of a committee of the Senate to study the federal government's annuity policies will probably result in an airing of the whole subject within the next few months. Described as "purely academic," since the government must initial any bills affecting the treasury, the enquiry is nevertheless a matter of wide interest to insurance and banking circles.

Insurance circles are interested primarily because one object of the enquiry is understood to be an effort to bring about a rise in annuity premiums. Bankers are asking how the government can pay 4½ per cent, as the cost of annuity funds, when money can be obtained in the market for three per cent or under?

This latter phase of the situation is closely associated with the growth of government annuities. These have risen to almost $50 millions, and as the total mounts, the cost to the federal treasury rises correspondingly.

The original annuities legislation, passed in 1908, permitted issue of annuities up to $5,000 each annually, but in 1931 legislation reduced the amount to $1,200. While money was costing Canada from 4½ per cent to 6 per cent, it was good business for the government when citizens deposited their money with the treasury, but as the value of money went down, conditions rapidly changed and today they are entirely different from the government's standpoint. The same principle applies to embarrassing increases in bank deposits.

Increases in the yearly volume of annuities have been pronounced since 1932, but acceleration in their demand has been even more evident since profitable income returns have become increasingly scarce from other investment sources. Annuities purchased in the fiscal year 1934-1935 totalled $13,376,000, and in the fiscal year ending March 31, 1936, the total is indicated at a level far in excess of last year.

Although the Annuities Act was passed primarily for the benefit of people in moderate circumstances, applications for annuities in the last 18 months are not, according to Senator Black, from people "who are likely to need old age pensions."

On the contrary, Senator Black asserts they are people who can afford to buy incomes for themselves, and in some cases for their wives and children.

Since annuities are exempt from Dominion taxation, demand for this form of investment from wealthier Canadians is based upon the fact that the annuities provide the attractive features of extreme safety, a favorable income yield, and freedom from taxation which would apply on investments of another character.

* * *

Currency in Rowboats

FROM the area of flood damage in Massachusetts cities and towns comes the story that flooding of the Haverhill National Bank, largest in the city of Haverhill, forced bank employees to remove currency in rowboats under police guard.

Bank officials sent out an urgent call to safety deposit box holders, after the flood had subsided, to examine their boxes.

Vaults of the bank were flooded to a depth of six feet. As the water receded the vaults dried, but safety deposit boxes still held water, and it was feared wills and other valuable papers would be damaged. Patrons were asked to take them home, iron them dry and sterilize them. In the banks, great sheets of currency and papers were being dried on tables and sterilized.

* * *

Ancient "Banks"

NOVICE coin collectors almost invariably have the impression that the age of a coin determines its value.

Actually, the abundance of ancient coins is due to the absence of banks in ancient times, when individuals were obliged to find hiding places for their wealth. The consequence was that caches of lost and ancient coins are so common that in most cases they have less value than those of a later date.

Underground burial of coinage in ancient times was in bags and jars. In one case a university expedition found 26,000 bronze coins in huge clay jars and rotting cloth bags while exploring Egyptian ruins.

A French peasant digging in his barnyard uncovered 4,000 copper coins in the reign of Louis XII and sold the lot for $400. On the other hand, two boys stumbled on a horde of United States gold coins in an old cellar near Baltimore. The coins had a face value of only $11,425, yet in this case the usual result was reversed and coin collectors bid for the coins at auction, paying $22,500.

Weekly Bank Clearings

	April 9 1936 $	Change year ago %	April 2 1936 $
Halifax	2,168,988	+14.1	2,168,240
Saint John	1,616,735	+15.9	1,639,973
Moncton	634,884	—25.3	598,714
Sherbrooke	636,627	+12.1	570,416
Quebec	4,222,292	+26.4	4,387,471
Montreal	83,491,813	+18.4	105,735,056
Ottawa	20,596,549	+16.4	14,406,897
Kingston	551,767	+10.4	488,518
Peterborough	607,613	+9.4	621,631
Toronto	109,232,301	+20.8	123,268,749
Hamilton	4,008,099	+20.2	4,956,866
Kitchener	966,974	+15.0	1,018,361
Brantford	773,662	—1.7	740,315
London	2,415,102	+18.9	2,730,746
Chatham	522,599	+11.6	422,433
Windsor	2,582,616	+13.9	2,904,170
Sarnia	504,508	+7.2	402,465
Sudbury	672,190	—8.0	768,169
Fort William	598,056	+18.0	496,621
Winnipeg	48,853,303	—5.3	36,126,311
Brandon	258,265	+2.0	272,698
Regina	2,990,837	+6.0	2,610,890
Moose Jaw	465,715	+9.9	456,745
Saskatoon	1,332,251	+12.6	1,182,607
Prince Albert	331,098	+7.9	290,036
Edmonton	4,049,086	+12.3	3,838,819
Calgary	5,768,513	+21.0	5,838,180
Medicine Hat	232,856	+20.9	218,169
Lethbridge	441,143	+11.8	435,625
N. W'minster	604,463	—0.2	701,562
Vancouver	17,140,378	+33.6	19,005,129
Victoria	1,837,461	+20.2	1,715,801

Trade Revival Aids British Bank Growth

"Big Five" Come Through Year With Increased Strength

EARNINGS DOWN

This year is an important one in British banking. Two of the "Big Five"—the Midland Bank and the Westminster—are celebrating their hundredth anniversaries.

Of greater significance, however, is the increasing strength manifest in financial and earnings positions of these and other leading banking institutions of Great Britain.

Annual statements of the important British banks indicate a sustained upward trend in operations during 1935. Fluctuations were not as marked as those in 1934, and increased activity in trade and industry was reflected in larger current accounts and deposits. Both the latter reached new all-time peaks.

Much in Surplus Funds

Loans, among the most profitable outlets for bank funds, did not increase in proportion to the increase in resources, and banks were compelled to use surplus funds in purchase of bills and additions to their investments.

As in Canada, surplus funds and meagre investment opportunities were the outstanding problems faced by British bankers in 1935.

Balance sheets of the "Big Five" banks of England clearly reflect the growth of trade activity in Great Britain during the last year. The leading banking institutions, with a network of several thousand branches, transact approximately 85 per cent of the commercial banking business in England and Wales. They are the Midland, Lloyds, Barclays, Westminster, and National Banks.

Dividend policies of the banks since 1920 are an indication of their strength. Midland, for example, paid 18 per cent from 1920 to 1930, and has paid 16 per cent since; Lloyd's, 12 per cent on its A shares since 1931 and 5 per cent in addition on its B stock since 1926; Barclays 10 per cent on its A stock and 14 per cent on its B and C shares since 1920. Other banks pay proportionately high dividends.

A composite balance sheet of the "Big Five" shows an increase in cash on hand and at the Bank of England from £207.7 millions in 1928 to £216.0 millions at the end of 1935. Total assets have risen from £1,993,775,144 at the end of 1928 to £2,079,992,902 at the end of 1935.

A Year of Cheap Money

Observers of the British banking situation emphasize the fact that 1935 was another year of cheap money which permitted the continuance of the process of conversion of debts by public bodies and joint stock companies, and also increased the market activity for new industrial issues.

Nevertheless, continued lowering of interest rates on deposit and investments reduced income from such sources and curtailed spending power. Reflection of this was seen in the bill market, where in 1934 the loss on bills carried on clearing bank money averaged nearly one-fourth of one per cent.

There was an improvement last year when this business was on a better basis, and by February the clearing banks were prepared to lend at one-half of one per cent against bills eligible for discount at the Bank of England. Further, they agreed not to compete for treasury bills at the weekly tender and not to buy bills at less than one-half of one per cent.

As a result, the effective loan rates for both clearing bank and "outside" money became one half of one per cent, and discount rates averaged 17/32 of one per cent for treasury bills and 9/16 of one per cent for three months bank bills during the year.

Profits Are Reduced

Net profits of the "Big Five" were lower in 1935 than in 1934, but higher than in 1933.

Low money rates naturally resulted in smaller earnings, but the decrease would undoubtedly have been greater had it not been for the large expansion in total resources, in large turnover and improved mechanization which enabled the banks to handle increased business without incurring additional expense.

Earnings in 1935 were nevertheless sufficient to pay the same rates of dividends as in 1934.

Bank of Canada Weekly Statement

Increase of about $4 millions in Bank of Canada notes in circulation, a gain in Dominion deposits about equal to the decline in deposits from other banks, and a rise of nearly $3 millions in total reserves are the most important changes revealed in the position of the Bank of Canada during the week ended April 8.

Total assets are slightly higher, and an improvement is shown in the reserve ratio which rose from 65.04 per cent to 65.13 per cent during the week.

A comparative statement follows:

Balance Sheet

	Apr. 8 $	Apr. 1 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	89,648,231	85,982,923
Rest fund	173,092	173,092
Dep.: Dominion	23,358,316	21,653,762
Banks	182,263,015	184,174,343
Other	1,762,525	1,594,728
Total deposits	207,383,856	207,422,833
All other liabs.	1,625,738	3,482,002
Total liabs.	303,830,917	302,060,850
Assets		
Reserve: Gold	180,298,589	180,383,315
Silver bullion	1,636,496	1,627,818
Res. in sterling	930,699	337,109
Res. in U. S.	10,598,617	8,476,799
Res. elsewhere	3,010	6,230
Total reserve	193,467,412	190,831,271
Subsidiary coin	294,132	278,820
Investments:		
Dom. govt. short.	26,973,664	26,901,668
Other Dom. govt.	80,931,628	81,143,809
Total invest.	107,905,292	108,045,777
Premises	119,477	119,474
All other assets	2,044,605	2,785,508
Total assets	303,830,917	302,060,850
Reserve ratio	65.13%	65.04%

Montreal and Royal Banks Rank With World's Largest

Eight Canadian banks are among the leading 150 in the English-speaking world in point of total deposits.

Bank of Montreal, with deposits of $677,671,835 and Royal Bank of Canada with deposits of $667,446,176 lead the Dominion list and occupy 17th and 18th positions on the list of 150.

Compilation is made annually, by The California Bank, Los Angeles. The current tenth annual edition reveals that the 150 leading banks have reached a new all-time peak in combined total deposits, and it is also indicated that there has been a substantial growth in the size of the banks during the last year.

N. Y. Federal Reserve Leads

Deposits of $3,254,054,000 in the Federal Reserve Bank of New York place that institution in the leading position. Midland Bank of London is second, with deposits of $2,180,024,299, and the English institution is followed by nine other billion-dollar banks.

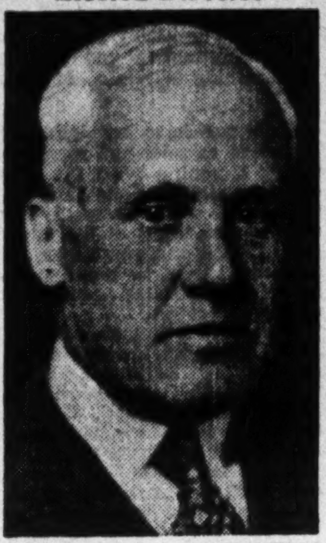
They are:

Chase National of New York,
Barclays Bank Ltd. of London,
Lloyds Bank Ltd.,
National City of New York,
Westminster Bank Ltd., of London,
Guaranty Trust Co., New York,
National Provincial Bank Ltd. of London,
Bank of America National Trust and Savings Association of San Francisco, and
Continental Illinois National Bank and Trust Co., Chicago.

Deposits of the average American bank in the new listing show an average figure of $322,842,021—or an increase of 17 per cent over the average of $275,777,896 a year ago.

The average increase was less in the case of British banks, where the average deposit total of $370,441,069 increased only eight per cent over last year's average of $343,707,779.

Elected Director



LIEUT.-COL. W. P. O'BRIEN

Senior partner of the Montreal Stock Exchange firm, O'Brien & Williams, who has been elected a director of Crown Trust Co., Montreal.

No "Big Stick" Used by Ontario

Ontario's Premier Hepburn denies his government is wielding the big stick on municipalities of the province in connection with their bank deposits.

Answering questions in the Legislature by Hon. W. H. Price, former attorney-general, Mr. Hepburn declared no municipality in Ontario has, during the past year, been requested by the government to transfer deposits from any chartered bank to any branch of the Ontario Government savings bank.

Meanwhile, deposits in Ontario's government savings bank have increased substantially.

Reason: presumably the higher rate of interest paid by this institution in comparison with Canadian chartered banks.

Foreign Exchange

Steadiness of the U. S. dollar, a slight weakening of the pound sterling and unimportant changes in other currencies reflected holiday conditions in the foreign exchange markets preceding the Easter holiday. Decision of European statesmen to observe a temporary Easter recess in their efforts to untangle the political situation was a temporarily steadying influence.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Apr. 7	Apr. 8	Apr. 9	Apr. 11
U. S. dollar, High	.5906	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00[illegible]
Low	.5906	1.00 7/16	1.00 7/16	1.00⅜	1.00[illegible]
1935, High	.5906	1.00[illegible]	1.00 7/16	1.00⅜	1.00[illegible]
Low	.5906	1.00 1/16	1.00[illegible]	1.00 1/16	1.00[illegible]
U. K. pound	4.8665	4.97	4.96⅞	4.96½	4.96¾
Argentina	.4246	.2773	.2773	.2774	.2780
Australia	4.8665	3.9696	3.9666	3.9658	3.9661
Austria	.1407	.1888	.1889	.1888	.1889
Belgium	.1392	.1701½	.1702	.1701	.1702
Brazil	.1963	.0577½	.0567⅜	.0567⅜	.0568
Czechoslovakia	.0296	.0416¼	.0416½	.0416½	.0416
Denmark	.2680	.2221	.2218	.2216	.2218
France	.0392	.0662¾	.0662⅝	.0662⅜	.0662½
Germany	.2382	.4050	.4048	.4047	.4048⅛
Greece	.013	.0095	.0095	.0095	.0095
Holland	.4020	.6832	.6821	.6826	.6826
Hungary	.1749	.2978	.2979	.2974	.2981
India	.3650	.3786½	.3484	.3782	.3784
Japan	.4985	.2908	.2908½	.2908	.2905
Jugoslavia	.1929	.0231	.0231	.0231	.0231
New Zealand	4.8665	4.0096	4.0066	4.0058	4.0061
Norway	.2680	.2499	.2498	.2494½	.2496
Poland	.1122	.1900	.1900	.1899	.1900
South Africa	4.8666	4.9471	4.9434	4.9424	4.9426
Spain	.1929	.1374	.1373	.1373	.1372
Sweden	.2680	.2564	.2563	.2560	.2560⅛
Switzerland	.1930	.3276	.3275¼	.3273	.3277
Hong Kong	.5422	.3299	.3305	.3300	.3297

Northern To Reduce Its Capital

Trust Company Transfers $900,000 to Reserve Funds

ADJUSTS POSITION

Reduction of the issued and paid-up capital of Northern Trusts Co. from $1.5 million to $600,000, and transfer of the $900,000 released from capital to reserve accounts, are main objects of a bill before the senate at Ottawa.

Status of shareholders is not changed by the legislation, which reduces the par value of the company's shares from $50 to $20 each. Shareholders representing more than two-thirds of the 30,000 shares outstanding have approved the proposal.

Reduction of capital is being used to set up a special reserve of $508,725. To the sum of $900,000, created by reduction and paid-up capital, is added an old reserve of $250,000 and other items amounting to $385,185, or a total of $1,285,185.

Real Estate Reserve

From this, deductions are being made. Interest overdue longer than one year, amounting to $87,615 is being written off and a reserve of $688,844 is set up against real estate held. The two items total $776,460, and deducted from the new reserve total, leave a special reserve of $508,725.

The change has no effect on taxation possibilities or creditors, but it adjusts the company's reserve position. Owing to depressed conditions affecting farm loans, particularly in western Canada, a special reserve was desired by Northern Trusts management to ensure the company remaining in a solvent condition. Dividends, however, have not been paid since 1932.

Since reduction in capital is being transferred to reserve, shareholders do not receive any cash, as a result of the reorganization of the capital structure.

Clearing Plan Gets Little Aid

U. K. Scheme Would Have Retailer Pay Many Bills by One Cheque

Despite the apathy of English commercial interests, efforts are being made to establish a national commercial clearing house for use of wholesale and retail merchants in the United Kingdom and elsewhere.

The scheme visualizes a central clearing house through which any retailer can pay any number of trade suppliers, in any number of trades, at any one time, by one cheque.

Object of the plan is to save retailers and wholesalers money and time in connection with settlement of accounts between them. The proposal has been mooted for some time, and on a small scale it is in operation in connection with one of the London trade associations.

Public appeals are being made for retailer members and shareholders in England, with tentative proposals to start operation of the clearing house June 2.

Attractive as the scheme is in theory, it is significant that at meetings arranged some months ago with a view to testing the possible response of retailers, the result was reported as a definite failure. English observers believe that in view of the previous reaction, the new scheme may not mature to any degree of importance.

Proponents of the idea claim important savings, and present figures and other data. Economy appears to be the chief attraction being put forward as against cost of making settlements through banking channels.

"American Banker" Daily To Mark 100th Birthday

The world's only daily banking newspaper, "The American Banker," will mark 100 years of continued publication June 15, with the issue of a special centennial edition.

The paper started as "Thompson's Bank Note Reporter," founded by John Thompson, then a broker in bank notes, foreign exchange and other financial paper. He was later founder of the First National Bank of New York City and the Chase National Bank.

Staff Changes

The Bank of Montreal announces the following staff changes:

E. P. Pipon, from head office to Montreal West branch, as manager.

W. M. Jackson, from Montreal West, manager, to Cowansville, as manager.

J. L. Cains, from Cowansville, manager, to Yarmouth, as manager.

R. H. Magwood, from Ontario superintendent's department, Toronto, to Norwich, as manager.

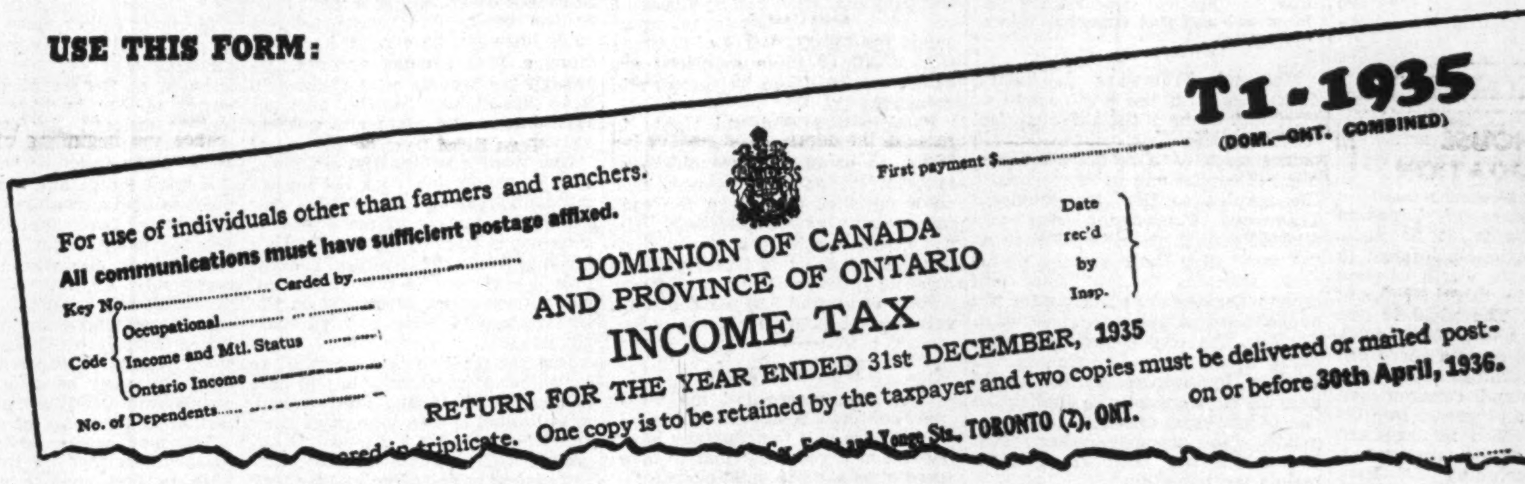
H. N. Becker, from Norwich, manager, to Richmond, as manager.

ONTARIO INCOME TAX
RETURNS are DUE APRIL 30th

If you are subject to the *Dominion* Income Tax, you are also subject to the *Ontario* Income Tax.

You are required to fill out ONE FORM ONLY—T1-1935. This form combines both your Ontario and Dominion Income Tax Returns.

USE THIS FORM:



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Code: Occupational / Income and Mtl. Status / Ontario Income
No. of Dependents
DOMINION OF CANADA
AND PROVINCE OF ONTARIO
INCOME TAX
RETURN FOR THE YEAR ENDED 31st DECEMBER, 1935
Date rec'd by Insp.
ered in triplicate. One copy is to be retained by the taxpayer and two copies must be delivered or mailed post- on or before 30th April, 1936.
Cor. Front and Yonge Sts., TORONTO (2), ONT.

You should obtain three copies of this form from one of the following sources:

1. Any office of "The Inspector of Dominion Income Tax". These offices are located at Ottawa, Belleville, Kingston, Toronto, Hamilton, London and Fort William.
2. Any Post Office.
3. Any Province of Ontario Savings Office.

On or before April 30th, you must file two copies of this form T1-1935, (or form T1A-1935, if you are a farmer or rancher) at the nearest office of "The Inspector of Dominion Income Tax". The third copy should be retained for your own reference.

In making this combined return of Ontario and Dominion Income Taxes, attach a certified cheque or money order, payable to the Receiver General of Canada, for at least one quarter of the total tax payable.

IMPORTANT.

Because the Ontario and Dominion Income Taxes are combined, there is only one form—only one cheque or money order required. This arrangement greatly simplifies your returns and your payments.

EXEMPTIONS AND DEDUCTIONS

Form T1-1935 is self-explanatory. The exemptions and deductions are the same for the Ontario Income Tax as for the Dominion Income Tax.

Your taxable income is also the same, with two exceptions: (1) you deduct the amount of your Dominion Income Tax. (2) You add all income received from Dominion of Canada Bonds.

PURPOSE OF ONTARIO INCOME TAX

The main purpose of the Ontario Income Tax is to enable your Government to adopt a "Pay-as-you-go" policy. By helping the Province, you help yourself.

SUPPORT ONTARIO'S NEW POLICY OF
"PAY AS YOU GO"

THE TREASURY DEPARTMENT OF THE PROVINCE OF ONTARIO

Company Earnings Reports

Montreal Tramways

Montreal Tramways Co. earnings for 1935 were practically the same as in 1934, earnings on the common stock amounting to $9.07 a share. The income account for last year features for the first time a write-off of $400,000 for depreciation and a further write-off of $600,000 for additional depreciation. In 1934 $200,000 was set aside as a reserve for foreign exchange and $180,000 written off investments. Neither of these charges appear in the 1935 accounts.

The balance sheet shows the commission was $147,291 short of meeting in full payments to the company. Balances due from contract now total $240,978. During the year the company reduced its funded debt by $147,000 and purchased an additional $23,438 of general and refunding bonds. The report also shows that $2¼ millions have been taken from the company's reserve account and added to surplus. Contract reserves declined $300,000 during the year.

No reference is made in the president's report as to the reason for setting up the depreciation reserve or the switching of the reserve account to surplus account.

Income and Surplus Account
Years Ended December 31

	1935	1934
	$	$
Gross revenue	3,486,815	3,477,799
Less: Bond interest ..	2,408,891	2,418,533
Foreign exchange ..	30,394	39,288
Other expenses	13,028	5,140
Exchange reserve ..	......	200,000
W/o securities	......	180,000
Depreciation	400,000	......
Net profit	634,501	634,838
Less: Dividends	630,000	630,000
Surplus	4,501	4,838
Previous surplus	†4,894,128	2,639,289
Less: Addit. deprec..	600,000	......
Surplus forward	4,298,629	2,644,127

†See remarks above.

Working Capital

	1935	1934
	$	$
Current assets	2,005,928	1,731,458
Current liabilities	1,027,716	1,007,905
Working capital	978,212	723,553

Burdened With Responsibilities

It is unfair to your friends or relatives to burden them with the responsibility of managing your Estate. This responsibility placed in the hands of a Trust Company, where an especially trained personnel lends its accumulated knowledge and experience to the management of the Estate, constitutes the greatest safeguards for your heirs.

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A copy will gladly be sent to you upon request.

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20, BISHOPSGATE,
LONDON E.C. 2, ENG.

Imperial Oil, Ltd.

Total net earnings of Imperial Oil, Ltd. for 1935 were 93.56 cents a share on 26,965,078 outstanding shares as compared with 95.73 cents a share in 1934 on 26,919,871 no par value shares.

After income taxes it earned 10¾ cents a share in Canada as against 11¼ cents a share in 1934 and 82.81 cents a share from transportation, from dividends paid by subsidiary companies and from miscellaneous income. Thus 11.9 per cent of the total net income came from Canadian refining and marketing operations and 88.51 per cent from other sources.

The company had to dip into earned surplus by $8.8 millions to pay dividends of $33.7 millions, equal to $1.25 a share. It nevertheless improved its working capital by $3.5 millions. It transferred $7.2 millions to depreciation, reduced its bonds and shares in other companies by $3.3 millions to $12.2 millions and the indebtedness of subsidiaries to it by $800,000. Deferred credits were down $2 millions. Cash, Dominion government and other gilt-edge bonds are up from $27 to $40 millions.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Inc. from Candn. refin. & mktg. oper.*	10,192,719	9,929,977
Less: Prov. for depr.	6,484,189	6,223,607
Candn. inc. taxes..	808,951	682,970
Net inc. from Candn. business	2,899,579	3,023,400
Inc. from transport.*	2,022,233	2,131,838
Less: Prov. for depr.	758,952	761,986
Candn. inc. taxes..	221,272	174,517
Net inc. from transportation	1,042,009	1,195,335
Other income:		
Divds. from subsid. cos., incl. divds. from subs. oper. outside Can., less losses of subsids.	22,036,106	21,251,720
Less: Can. inc. tax	2,689,753	2,238,779
Int. on invest. and other misc. inc...	1,280,046	1,678,850
Less: Can. inc. tax	79,291	131,603
Profit on sale of invest. secs.	741,762	992,731
Less: Can. inc. tax	607	......
Other net income ...	21,288,263	21,552,919
Total income	25,229,851	25,771,654
Less: Divds. paid ...	33,697,278	24,881,256
Surplus for year	•8,467,427	890,398
Add: Prev. surplus..	82,414,512	110,645,191
Less: Trans. to cap. surplus	15,264,192	15,264,192
Trans. to res. for empl. annuitites.	......	§5,124,622
Expend. on explor. w/o	......	†4,861,690
Adj. of plant & equip.	......	▲1,880,944
Adj. of invest. in subs. cos. shs. ..	......	1,091,251
W/o misc. invest...	......	398,378
Addit. reserve for accts. rec.	......	500,000
Balance forward	89,211,277	82,414,512

†Expenditures prior to Jan. 1, 1934, on exploration of properties in Western Canada found to be non-productive of oil.
§Amount transferred to reserve for employees' annuities, to increase that reserve to the amount required as disclosed by last actuarial calculation.
▲Provision to bring plant and equipment, after adjustment of fixed assets and accumulated depreciation reserve, to basis of cost.
*After selling, administration and general expenses. •Deficit.

Working Capital

	1935	1934
	$	$
Current assets	79,916,791	*75,977,015
Current liabs.	7,309,637	6,921,796
Working capital	72,607,154	*69,055,219
Ratio	10.93—1	9.76—1

*Before addition of excess of market value over book value of Dominion of Canada bonds and other marketable securities, amounting to $768,306.

Lower St. Lawrence Power

Lower St. Lawrence Power Co.'s initial financial statement since the reorganization shows total income in 1935 of $257,816 and a surplus after all charges of $9,498.

The balance sheet dated December 31, 1935, shows mortgages payable at $6,083 and a six per cent note, due October 1, 1937, at $70,500. Funded debt outstanding remains at $1.4 millions.

Income and Surplus Account
Years Ended Dec. 31

	1935
	$
Power sales	245,214
Misc. revenue	12,602
Total income	257,816
Less: Operating expense	*107,141
Bad debts reserve	2,439
Taxes	7,419
Misc. interest	*3,249
Net profit	137,568
Less: Depreciation	30,601
Interest charges	*96,658
Income tax	811
Surplus	9,498
Less: Previous deficit	340,641
Add: Reorgan. surplus	358,709
Surplus forward	27,566

* Includes certain non-recurring items.

Working Capital

	1935
Current assets	71,547
Current liabilities	35,265
Working capital	36,282

Inter. H. E. System

International Hydro-Electric System's consolidated income for 1935 at $63.3 millions shows an increase of around $400,000 over that reported in the previous year. Higher operating costs, maintenance, and taxes, offset the savings in interest charges, reducing net profit for the year. Due to various write-offs, especially one of $3.9 millions representing a reduction of book investment of New England Power Association in a subsidiary in anticipation of liquidation of the latter, reduced the earned surplus.

INCOME AND SURPLUS ACCOUNT
Years Endtd December 31

	1935	1934
	$	$
Operating Revenue .	59,947,428	59,445,971
Other Income	3,387,419	3,513,598
Total Income	63,334,847	62,959,569
Less: Oper. Exp. ...	19,398,207	18,290,760
Maintenance	3,662,255	3,510,889
Taxes	7,139,187	6,895,510
Net Income	33,135,198	34,262,410
Less: Sub. Debt. Int.	12,896,977	13,203,664
Debenture Int. ...	1,618,693	1,732,023
Debt. Discount ..	921,839	905,797
Depreciation	5,182,659	5,185,317
Income Tax	1,817,911	1,992,620
Sub. Stock Dvds..	8,501,132	8,549,084
Minority Interest.	1,004,728	1,260,800
Net Profit	1,131,259	1,433,104
Less: Pfd. Dvds. ...	......	245,678
Surplus for Year ...	1,131,259	1,187,426
Previous Surplus ..	8,491,389	10,485,530
Add: Prof. on Bonds	161,865	198,368
Excess Tax Prov.	189,752	......
Trans. from Res. ..	......	715,045
Less: Amort. Sh. Opt.	124,500	124,500
Adjustments	......	344,980
Additional Deprec.	1,750,000	3,625,500
Reval. of Invest. .	250,000	......
W/o N.E.P. Subs. .	3,941,411	......
Appraisal Cts. W/o	110,192	......
Surp. Cap. Forward	3,798,162	8,491,389

Working Capital

	1935	1934
	$	$
Current Assets	22,790,336	17,537,882
Current Liabilities .	14,994,547	11,337,859
Working Capital ..	7,795,789	6,200,023

Associated Breweries

Associated Breweries of Canada's gross income was much the same as in 1934, while net profit available for dividends on the common stock shows a decline of about $25,000. The decrease was principally due to heavier taxation.

During the past year the company retired $50,200 of preferred shares, reducing the amount outstanding to $965,200.

Income and Surplus Account
Years Ended December 31

	1935	1934
	$	$
Operating profit	484,107	......
Investment income ...	49,745	......
Other income	29,051	......
Total revenue	562,903	......
Less: Exec. remun. ..	53,370	......
Net revenue	509,633	502,563
Less: Directors' fees..	4,400	8,400
Depreciation	141,578	134,576
Fed. & prov. inc. tax	117,535	73,572
Net profit	246,020	286,106
Less: Pref. divds	68,147	73,658
Common divds.	168,450	112,300
Surplus for year	9,423	100,148
Previous surplus	502,177	402,029
Surplus forward	511,600	502,177

Working Capital

	1935	1934
	$	$
Current assets	890,951	867,809
Current liabilities	167,980	142,507
Working capital	722,971	725,302

Can. Western Lumber

An increase of 2,232,818 board feet in total sales and an improvement in prices of lumber enabled Canadian Western Lumber Co. to increase its profits in 1935 almost 100 per cent over 1934.

Net profit of $300,679 was entirely allocated toward payment of sinking fund arrears on the company's first mortgage debentures, reducing the amount in arrears to $117,103.

With continuation of improvement in operations, the company should in another year be able to make a payment on its 5 per cent cumulative income debenture stock, it is indicated. Arrears on the income debenture stock amounted to $3.2 millions at the end of 1935.

D. B. Hanna, president, states higher prices for the company's products have been offset to some extent by higher costs of production. It is expected that the reciprocity treaty with the United States will afford the company an opportunity to participate in the U. S. market to a limited extent.

Working capital at the end of 1935 was $2,060,646, compared with $2,154,025 in 1934.

Income and Surplus Account
Year Ended Dec. 31, 1935

	$
Net operating profit	673,271
Add: Other income	37,552
Net earnings	710,723
Less: Debenture interest	96,949
Depreciation & taxes	242,718
Directors' fees	8,000
Executive salaries	59,533
Legal costs	2,843
Net profit	300,679

Bathurst

Bathurst Power and Paper Co.'s net profit for 1935 totalled $94,534, as against a deficit of $6,969 in the previous year. These figures are arrived at after providing for an increase in the depreciation reserve of $76,381. This is the best showing made by the company since 1928.

Sales for the past year had a value of $1.8 million as against $1.3 million in 1934. In addition, income from investments at $102,728 shows an increase of about $16,000 over 1934.

The balance sheet continues to feature a strong working capital position with marketable securities of over $1.1 million and $264,076 of cash on hand.

Income and Surplus Account
Years Ended December 31

	1935	1934
	$	$
Sales	1,817,670	1,284,652
Other income	102,728	86,398
Total income	1,920,398	1,371,050
Less: Sales cost	1,448,348	1,126,476
General expense ...	144,073	149,540
Net income	327,977	95,034
Less: Depreciation ...	176,381	100,000
Idle expense	35,112	......
Sub. loss	5,649	2,004
Tax provision	16,300	......
Surplus	94,534	*6,969
Previous deficit	72,044	*65,074
Surplus forward	22,480	*72,044

*Deficit

Working Capital

	1935	1934
	$	$
Current assets	2,686,141	2,290,893
Current liabilities	251,767	140,054
Working capital	2,434,374	2,150,839

Inter. Paper & Power

Consolidated net loss of International Paper and Power Co., exclusive of International Hydro-Electric System and its subsidiaries, amounted to $3.3 millions in 1935, a slight decrease from that reported in the previous year. With an increase of eight per cent in volume of business and a minor rise in average selling prices, there was a substantial increase in gross sales, but this was offset almost entirely by increases in expenses. These increases were primarily due to the larger volume of business.

Funded debt is shown on the consolidated balance sheet at the end of 1935 amounting to $67.5 millions, a net reduction of $1.9 millions during the year.

Increase in Notes

Notes payable amounted to $16.2 millions compared with $15.2 millions at the end of 1934. A total of $700,960 was paid off on existing loans, but a subsidiary, Southern Kraft Corp., borrowed $1.7 millions from the banks for power plant improvement.

Income and Surplus Account
Years Ended December 31

	1935	1934
	$	$
Gross income	96,347,003	87,641,133
Less: Cost of sales	58,371,708	53,007,401
Main. & repairs	6,046,074	5,377,651
Taxes	1,993,920	2,088,875
Trans. expenses	13,081,923	†
Admin. expenses ...	6,827,639	6,574,418
Bad debt reserve ..	995,569	1,049,626
Net revenue	9,030,170	8,661,891
Less: Bond interest ..	3,915,004	4,055,576
Other interest	916,349	932,799
Debt discount	364,839	373,447
Depreciation	5,350,154	4,968,627
Depletion	723,016	748,531
Income taxes	358,182	186,864
Sub. stock divds ...	12,415	12,500
Sub. stk. divds. accr.	713,643	743,263
Net loss for year	3,323,431	3,359,716
Previous deficit	9,554,830	2,600,191
Less: Profit on bonds	421,611	595,850
Adjustments	130,140	......
Add: Net adjustments	......	4,190,773
Deficit forward	12,326,510	9,554,830

Working Capital

	1935	1934
	$	$
Current assets	44,161,665	42,791,143
Current liabilities	26,657,783	24,198,040
Working capital	17,503,882	18,593,103

Ford of Canada

Net operating loss of Ford Co. of Canada of $403,719 was offset by investment income of $2.5 millions. Dividends from subsidiaries at $1.9 millions were less than net profits of those companies but the total of those profits is not indicated in annual report for 1935. Lower income taxes both in Canada and abroad apparently indicated total profits under the 1934 level although production was vastly higher. Profit shown is twice the dividend paid in 1935.

Working capital increased. Cash and bonds fell $4.7 millions to $13 millions because of expansion and construction programme while receivables went up $4.7 millions to $8 millions. Inventories increased by $921,496. Introduction of 1936 models in November, 1935, had an effect on this situation. For the same reason accounts payable went up $444,822 to $2.1 millions.

General Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Earn. from oper.† ...	‡403,719	*3,288
Add: Affil. cos. divs. rec.	1,903,606	§1,636,649
Inc. from invest. ..	378,796	466,031
Profits from sale of invest.	231,048	80,475
Net earnings	2,109,733	2,186,443
Less: Prov. for inc. tax▲	52,529	54,331
Inc. taxes—Canada..	118,000	251,000
Net profit	1,939,204	1,878,112
Less appropriations:		
Dividends—Class A	794,480	1,986,200
Class B	35,000	87,500
Surplus for year	1,109,724	‡195,588
Add: Prev. surplus ..	16,027,641	16,272,066
Tax adjustments ..	29,961	......
Less: Tax adjust.	......	8,105
Other adjustments..	......	40,733
Balance forward	17,167,326	16,027,640

†After deduction of all charges for manufacturing, selling and general expenses, including depreciation, remuneration to executive officers, solicitors' and directors' fees. ‡Loss or deficit.
*After depreciation of $1,355,746.
§Dividends received from subsidiary companies during 1934 were less than aggregate net profits of such companies.
▲Paid elsewhere than in Canada.

Working Capital

	1935	1934
	$	$
Current assets	24,856,181	23,932,902
Current liabilities	2,295,232	1,850,409
Working capital	22,560,949	22,082,493
Ratio	10.83—1	12.93—1

M. and O. Paper Co.

Trustees for Minnesota and Ontario Paper Co., Minneapolis, report a modest improvement in net income in 1935 compared with 1934. Working capital, however, was reduced.

Inclusion of large write-offs and unpaid bond interest in the deficit for the year make a total reduction of $6 millions in surplus. C. T. Jaffray, R. H. M. Robinson and S. M. Archer, trustees for the bankrupt company, make detailed explanations of numerous balance sheet items. Harry R. Mosser, secretary of the bondholders' committee reports improvement in the company's operations and in the outlook. The suit for $7 millions brought against the company by the Backus-Brooks Co., formerly in control, has been settled out of court.

Consolidated Income and Surplus Account
Years Ended December 31

	1935	1934
	$	$
Gross earnings‡	2,641,919	2,223,876
Less: Selling, admin. & gen. exp.	2,534,586	2,249,316
Net earnings	107,333	†25,441
Add: Other income ..	51,534	57,524
Total income	158,867	32,083
Less: Interest paid ...	139,890	155,804
Int. accr. but not paid	2,374,230	2,241,456
Amort. of bond disc., etc.	21,804	23,734
Depreciation	816,425	810,007
Deplet. & stumpage	223,186	290,827
Miscel. adjust.	24,904	4,780
Loss on sale of cap. assets	913,582	4,730
Val. of invest.	•1,164,569	......
Val. of timberlands	▲581,181	......
Prelim. surveys w/o	......	73,340
Add: Miscel. credits..	87,946	33,866
Net loss	6,012,957	3,538,729
Add: Prev. surplus ..	18,740,230	22,452,872
Surplus adjust.	175,420	......
Less: Res. for red. of N. P. & T. Co. stock	168,773	173,913
Surplus forward	12,733,920	18,740,230

†Loss or deficit.
‡Sales, including railroad revenue, less freight and allowances amounted to $11,827,415 in 1935; $10,031,333 in 1934; cost of sales $9,185,496 in 1935; and $7,807,457 in 1934. •I European subsidiary.
▲Minnesota Forest Products Co.

Working Capital

	1935	1934
	$	$
Current assets	7,055,123	7,005,879
Current liabilities	1,688,649	1,571,253
Working capital	5,366,474	5,434,626
Ratio	4.18—1	4.46—1

Cons. Diversified

Sharply higher profits from the sale of investments enabled Consolidated Diversified Standard Securities to more than double its earnings in 1935, compared with 1934. With net profit equivalent to $3.30 a share on the preference stock, dividend payments were covered by a wide margin. While earnings were up, income from dividends and interest on investments was lower.

Market value of securities held showed an appreciation of $323,000 during the year, being valued at $1,322,641 as at Dec. 31 last. Hon. W. E. Foster, president, reports that the securities of over 190 corporations are held in the company's portfolio and the investments are classified as follows: bonds, 20.5 per cent; preferred stock, 17.1 per cent; common stocks, 62.2 per cent; miscellaneous and inactive stocks, 0.2 per cent.

Equity behind the preference stock at the end of 1935 was equivalent to $30.28 a share, compared with $22.55 a share in the previous year.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Divds. & int. on inv.....	59,175	71,097
Net prof. on sale of inv.§	140,513	37,172
Total income	199,688	108,269
Less: Adminis. exp., int., prov. & munic. taxes, etc.	25,683	25,068
Income tax reserve ...	5,895	5,050
Net profit	168,110	78,151
Less appropriations:		
Preference divds.	*19,352	25,458
Surplus for period	148,758	52,693
Add: Prev. surplus	25,230	9,698
Less deficit†	1,564	......
Add tax adj.	204	11
Less: Cap. profits, net, transferred	140,513	37,172
Balance forward	32,115	25,230

§ After provision to reduce book value of investments to the lower of cost or market at Dec. 31.
* Less $6,106 paid on shares held by wholly owned subsidiary.
† Of Alco Securities Corp.

Disher Steel Construction

For the first time in four years, Disher Steel Construction Co., Toronto, reports an operating profit, earnings before depreciation in 1935 amounting to $3,258.

The company's cash position has shown improvement. Accounts receivable have been reduced to a minimum and ample allowance has been made for doubtful accounts, Clark E. Disher, president, states.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Net earnings*	3,258	§8,636
Less: Depreciation ...	7,757	5,010
Net loss	4,499	13,646
Add: Prev. surplus ...	13,178	26,824
Surplus forward	8,679	13,178

*After manufacturing costs, administration and other expenses. §Deficit or loss.

Working Capital

	1935	1934
	$	$
Current assets	74,530	76,325
Current liabilities	3,557	5,935
Working capital	70,973	70,390
Ratio	20.95—1	12.86—1

Crow's Nest Pass Coal Co.

Crow's Nest Pass Coal Co. gross profits for 1935 exceeded those of the preceding year. Net profits were less because of greater allowances for reserves. Dividend payments as usual were part return of capital.

Working capital remained strong. The company produced 444,793 tons of coal as compared with 429,669 tons in 1934. Coke output was 27,066 tons in 1935 and 24,841 tons in 1934.

Income and Surplus Account

	1935	1934
	$	$
Net earnings:		
From coal & coke ..	381,038	354,665
Other income	55,367	61,563
	436,405	416,228
Less: Prov. for taxes..	24,301	21,893
Directors' fees	......	3,200
Depreciation	112,858	110,982
Depletion	44,479	42,967
Exec salaries	36,635	......
Add: Profit on secs. mat'd.	......	2,660
	218,131	239,845
Less appropriations:		
Dividends	248,472	......
Surplus for year	*30,341	239,845
Add: Prev. deficit ...	698,196	105,874
Adjustments	2,689	......
Less: Distrib. to shareholders	......	▲1,034,915
Deficit forward•	731,226	698,196

*Deficit.
▲Comprising $671,207 representing distributions to shareholders out of depreciation and depletion reserves to Dec. 31, 1933; $248,472 dividends declared and paid in 1934; and $124,236 declared and payable Feb. 1, 1935. Profits for the year and $26,969 from depreciation and depletion reserves, were utilized to pay the two latter items.
•This amount represents distributions out of depreciation and depletion reserves.

Working Capital

	1935	1934
	$	$
Current assets	1,647,621	1,681,329
Current liabilities	139,059	207,997
Working capital	1,508,562	1,473,332
Ratio	11.85—1	8.08—1

West Kootenay Power

West Kootenay Power and Light Co., subsidiary of Consolidated Smelters, generated 917 million kw.h. of electrical energy in 1935—the largest output in the company's history. After taking care of senior charges, a dividend of $10 a share was declared on the common stock, as against $5 a share in the previous year.

The financial statement as at December 31 last, shows a substantial increase in net working capital.

Since the beginning of the year the company called its five per cent bond issue maturing in 1956, paying it off with the proceeds of an issue of four per cent bonds payable in 1956. The new bonds are payable in Canadian funds only and are guaranteed by Consolidated Smelters.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Gross earnings	3,032,377	2,760,907
Less: Expenses	503,550	446,233
Net revenue	2,528,827	2,314,674
Less: Bond interest .	301,369	307,345
Prem. on interest ..	4,138	5,850
Bond interest	34,500	32,375
Depreciation	969,257	928,906
Auto deprec.	......	29,919
Bad debts	......	164
Income tax	352,106	250,060
Other expenses	5,631	......
Net profit	861,826	760,055
Less: Preferred divd. .	35,000	35,000
Surplus	826,826	725,055
Previous surplus	2,968,478	2,568,019
Less: Common divd. .	611,200	305,600
Add: Income tax ...	67,272	1,996
S.F. installment	7,206	7,083
Adjustments	......	9,917
Surplus forward	3,109,623	2,968,478

Working Capital

	1935	1934
Current assets	3,627,890	2,247,077
Current liabilities ...	743,018	610,366
Working capital	2,884,872	1,636,711

Brandram-Henderson

Gross income of Brandram-Henderson Ltd. shows a moderate decline in 1935, as compared with the previous 12 months, but net income at $63,355 was over $41,000 greater than in 1934. Net loss for the year after all charges amounted to $23,261, compared with $65,644 in the previous year.

Since the year end, steps have been taken to bring about a capital reorganization of the company. The plan provides for the redemption of first mortgage bonds and placing of the consolidated mortgage bonds on an income basis.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Gross revenue	450,620	......
Less: Legal fees	1,197	......
Exec. salaries	†32,460	......
Net revenue	416,963	415,853
Less: Selling costs ...	230,179	222,505
Admin. charges	122,229	165,199
Directors fees	1,200	*6,000
Net income	63,355	22,149
Less: Interest charges	24,529	24,873
Bond interest	57,699	58,531
Deprec. of sub.	4,388	4,388
Net loss for year	23,261	65,644
Previous deficit	‡429,668	‡366,711
Deficit forward	452,929	432,355

† Other than amount paid to president.
* Paid to president and directors.
‡ Adjusted.

Working Capital

	1935	1934
	$	$
Current assets	558,903	583,730
Current liabilities	386,309	420,996
Working capital	172,594	162,735

Calgary Power

Calgary Power Co.'s financial statement for 1935 shows a drop in net revenue of nearly $200,000 as compared with the previous year, while net profits were $98,095 short of covering dividends paid on both the preferred and common shares. During the year no dividends were received from Ottawa Valley Power Co., while the city of Edmonton contract terminated September 30.

Deletion of revenue from the Edmonton contract and Ottawa Valley Power Co. from estimated revenues for 1936 have caused the directors to suspend dividend payments on the common stock.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Operating income ...	1,340,318	......
Investment income ...	54,080	288,347
Less: Legal fees	14,349	......
Exec. salaries	......	......
Net revenue	1,380,049	1,566,106
Less: Depreciation ...	200,000	225,000
Sundry interest	......	49,965
Bond interest	594,518	546,676
Prem. & exchange .	6,104	7,221
Income tax	66,062	29,455
Bond discount	41,460	39,302
Net profit	471,905	668,487
Less: Pref. divd.	360,000	360,000
Common dividend .	210,000	210,000
Surplus	*98,095	98,487
Previous surplus	†497,977	734,902
Trans. to deprec.	200,000	327,661
Surplus forward	199,882	505,728

* Deficit. † Adjusted.

Working Capital
1935 1934

Canadian Oil Cos.

Canadian Oil Companies earnings advanced in 1935 as compared with 1934. Though more was withdrawn from depreciation and taxes, net profits were sufficient to pay preferred and common dividends with a small surplus whereas in 1934 there was a deficiency of $26,685 in annual profit.

Working capital remains strong. There was a drop of $412,607, but values of plant and equipment went up $428,263 as the result of completing a new refinery unit at Petrolia, Ont. The new unit, consisting of cracking stills, water cooler, vapor recovery plant, re-run unit and treaters, doubles the refinery capacity. Storage facilities for 600,000 barrels of oil was also provided.

Depreciation reserve dropped slightly to $3.9 millions in the year. Depreciation write-off of $200,666 was apparently taken up in the new building.

Income and Surplus Account
Years Ended December 31

	1935	1934
	$	$
Net income	517,779	400,229
Less: Deprec. reserve .	200,666	165,032
Res. for bad debts ..	37,810	......
Inc. tax reserve ...	38,000	30,000
Net profit	241,303	205,197
Less appropriations:		
Pref. dividends	160,000	160,000
Com. dividends	71,882	71,882
Surplus for year	9,421	*26,685
Add: Prev. surplus ..	902,173	929,026
Less: Inc. tax adjust. .	1,751	168
Bal. carried forward .	909,843	902,173

* Deficit.

WORKING CAPITAL

	1935	1934
	$	$
Current assets	2,504,535	2,899,713
Current liabilities	472,493	453,064
Working capital	2,032,042	2,446,649
Ratio	5.30—1	6.40—1
	$	$
Current assets	708,764	802,135
Current liabilities	508,953	478,627
Working capital	199,811	323,508

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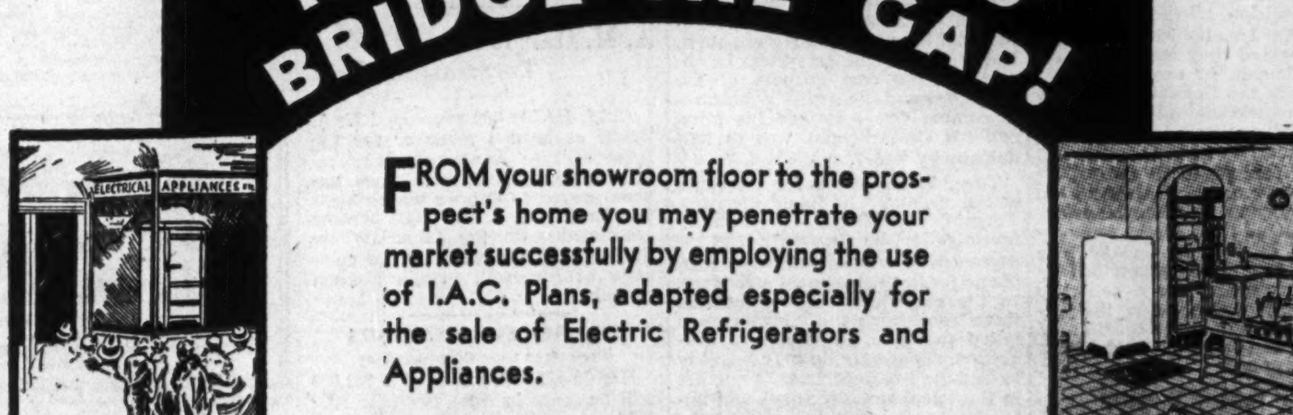
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A NATIONAL SERVICE—A CANADIAN COMPAN

New England Fire Mutuals Get Licenses

Factory Group Registered For Dominion-wide Business

ENDS LONG DISPUTE

Hitherto licensed only in Ontario and Quebec, New England Factory Mutual insurance companies have received certificates of registry from the Department of Insurance at Ottawa

Marking the end of a controversy in Canada for nearly half a century, 21 companies of the group are now licensed to transact business throughout the Dominion in fire insurance, falling aircraft, earthquake, tornado, hail, sprinkler leakage, limited or inherent explosion and civil commotion All classifications are limited to the insurance of the same property already insured under a policy of fire insurance of the company.

Officially known as Associated New England Factory Mutual Insurance Companies, there are now 22 companies in the group, and with the exception of one, all are included in the new Dominion registration.

Dominion registry has not been given the Firemen's Mutual, owing to the fact that its records are still incomplete for purposes of the department, it is understood. It is likely, however, that this company will be included in the new status of the group when the necessary information has been filed with the Department of Insurance at Ottawa.

Until recently, the group numbered 25 companies, but the Mercantile Mutual of Providence is now merged in the Firemen's Mutual, while the Manton Mutual of Philadelphia and the Keystone Mutual of Philadelphia are now merged in the Philadelphia Manufacturers Mutual.

Companies Fully Licensed

The following companies are now fully licensed to transact business throughout Canada:

Manufacturers Mutual Fire.
Rhode Island Mutual Fire.
States Mutual Fire.
Mechanics Mutual Fire.
Enterprise Mutual Fire.
American Mutual Fire.
Blackstone Mutual Fire.
Merchants Mutual Fire.
What Cheer Mutual Fire.
Hope Mutual Fire.
Boston Manufacturers Mutual Fire.
Arkwright Mutual Fire.
Paper Mill Mutual Insurance, of Boston.
Cotton and Woollen Manufacturers Mutual Insurance of New England.
Industrial Mutual Insurance.
Rubber Manufacturers Mutual Insurance.
Protection Mutual Fire.
Mill Owners Mutual Fire.
Worcester Manufacturers Mutual Insurance.
Fall River Manufacturers Mutual.
Philadelphia Manufacturers Mutual Fire.

P. G. Bruce, of Toronto, has been appointed the Canadian chief agent of all companies.

Sprinklered Risks Only

Business of the New England Factory Mutuals is restricted to sprinklered risks which are written individually and not jointly by the group as a whole.

Financial control is divided, however, into several units within the group, but in matters of operation and policy the group always acts as a unit. The bulk of Canadian business is in selected industrial and mercantile properties, and the group as a whole carries some of the largest establishments and institutions in Canada in its books.

Notwithstanding the New England Factory Mutuals have been licensed only in Ontario and Quebec, the group ranks among the first two or three largest company groups in the Dominion. At the end of 1935, total business at risk in Canada was reported at approximately $500 millions.

The group has been doing business in Canada for nearly half a century, but it was not until 1927 that it was licensed under provincial laws to operate in Ontario and Quebec.

Long Dispute Ended

Action by Ontario and Quebec focussed attention on the controversial status of the companies from the time they commenced business in Canada. The factory mutuals always insisted that as mutual companies they could not segregate their assets and meet the federal requirement demanding a deposit from all foreign insurers for the sole protection of Canadian policyholders.

Provincial licenses were granted without demand for a deposit of this character.

Nearly three years ago, the federal parliament by an amendment to the Insurance Act, following a privy council decision, allowed the group to be licensed without making a deposit, provided they maintained assets in Canada in excess of their liabilities in the Dominion, and also on the understanding that these assets "shall continue to form a part of the general assets of the company, available pari passu to all policyholders in or out of Canada in the same manner as its other funds.'"

At the same time, assets were required to be kept in Canada permanently at a figure prescribed by the treasury board, and were not to be allowed to decline below the prescribed total without permission of the board, and under such conditions as it determined.

May Expand Business

Effect of the new Dominion status for the factory mutuals will be to considerably expand its operations in provinces outside Ontario and Quebec, according to insurance observers.

Abstract of business in Ontario during 1934 reveals that net at risk in that province was $260,943,885. For Quebec, the figure was $173,534,855.

In Quebec, and indeed in all areas where the companies transact business, the ratio of net losses incurred to net premiums earned is surprisingly low. For 1934, Quebec business resulted in a ratio of 13.49. In 1935, the ratio was even lower, at 10.30.

Ontario Experience Fluctuates in 1935

Fire Loss Ratios Low With Slight Drop in Auto Figures

Fire insurance companies operating in Ontario improved their earned ratio of net losses to net premiums earned, in 1935. There were exceptions, but the main trend was in line with the improvement reported in affairs of fire insurance companies throughout the Dominion. The majority of casualty companies in Ontario also closed the year with a lower earned ratio of net losses to net premiums.

Final figures available for 1935 disclose that fire companies completed the third year of declining loss ratios in Ontario. Farmers' mutuals, joint stock companies, cash mutuals without capital and cash mutuals with capital all showed reduced ratios for the third year in succession, but in the casualty groups there was less uniformity in the successively improved positions.

Casualty Ratios

Automotive underwriters in Ontario, with an earned loss ratio of 59.21 at the end of 1935 showed slight change from the 1934 ratio of 59.38, and both years were higher than the 51.43 reported for 1933.

Marked exceptions to the lower ratio trend were those of property damage, sickness, and workmen's compensation, the compensation companies reporting a jump from a 12.92 ratio in 1934 to a 1935 ratio of 120.97. Hail companies, which reported a ratio of 250.11 in 1934 improved their position to the extent of a decline to 135.68 in 1935.

Credit companies on the other hand reported a ratio of 38.46 against 41.99 in 1934 and 70.42 in 1933, and improvement was also reflected in ratios of guarantee, and weather insurance companies.

Joint Stock Companies

Joint stock fire companies led all others in net premiums written at $13,361,202, with net losses of $4,630,208, with automobile premiums in second place at $7,017,027 and net losses of $4,123,232. Losses sustained in the sprinkler leakage groups, of $5,426 against net premiums written of $14,496, and losses of $4,719 against net premiums of $2,475 in compensation groups, were the lowest loss totals reported for the year.

Detailed figures of Ontario companies' experience for 1935 follow:

	Net Premiums Written 1935	Net Losses Incurred 1935	Ratio Net Losses Incurred to Net Premiums Earned		
			1935	1934	1933
	$	$	%	%	%
Fire:					
Joint Stock	13,361,202	4,630,208	34.73	40.78	50.38
Farmers' Mutuals	1,605,030	972,707	60.87	60.86	81.43
*New England Factory Mutuals	713,150	22,400	....	8.26	8.90
Other Mutuals	792,702	266,440	34.04	33.04	37.37
Cash Mutuals without capital	1,617,790	642,212	43.99	48.46	57.13
Cash Mutuals with capital	210,098	70,831	39.51	44.96	45.07
Reciprocal Exchanges	266,004	150,423	60.79	185.04	47.24
Lloyd's	194,279	57,648	45.27	....	....
Casualty:					
Automobile	7,017,027	4,123,232	59.21	59.38	51.43
Accident	1,209,920	552,235	45.90	56.81	43.32
Accident & Sickness Combined	964,846	569,971	59.26	54.02	61.76
Aircraft	32,145	22,391	96.32	....	16.44
Boiler and Machinery	351,205	45,579	12.37	7.71	3.40
Credit	91,331	33,454	38.46	41.99	70.42
Employers' Liability	87,440	73,196	84.85	47.56	....
Guarantee	943,327	196,614	21.49	22.90	48.37
Hail	127,622	173,163	135.68	250,11	58.33
Inland Transportation	676,013	209,513	32.00	45.43	31.97
Livestock	22,495	17,807	80,09	110.10	101.30
Marine	580,997	270,451	50.35	74.14	92.55
Plate Glass	227,928	90,944	40.50	44.12	42.11
Property Damage	27,038	64,840	287.91	64.43	36.51
Public Liability	805,705	319,457	40.56	53.97	....
Sickness	494,679	322,194	65.24	50.12	66.19
Sprinkler Leakage	14,496	5,425	44.83	189.76	....
Theft	579,135	314,638	58.75	45.02	38.83
Weather	166,580	44,792	30.69	33.70	109.82
Workmen's Compensation	2,475	4,719	120.97	12.92	....

*"Net Premiums Earned" was not calculated. The ratio of net losses incurred to net amount at risk was .084 per $1,000.

Sprinkler System Shut, A Factory Is Destroyed

Watchman's Mistake is Costly For Ontario Concern

A fire sprinkler-system alarm bell clanged the other night, in the boiler-room of an Ontario manufacturing plant.

A startled watchman heard the signal as he tended the boiler-room furnace. He dropped his shovel, dashed for the nearest sprinkler-valve and hastily turned it to the "off" position. Without pausing, he ran to a second sprinkler valve, turned it also to "off."

His action, experts say, was the chief reason why a minor factory blaze developed into a major conflagration, causing damage estimated as high as $190,000. Had the sprinkler system been allowed to function it might have checked the spread of the blaze until fire fighting equipment arrived at the scene.

Experts, representing underwriters and others are investigating and their findings will probably reveal the whole story.

Meanwhile, enough is known to indicate that the "human factor" can play a major rôle in destruction of property, in spite of the most efficient mechanical fire-protection devices.

Fire Releases Water

In every large industrial plant equipped with a fire sprinkler system there are one or more valves controlling the flow of water through the overhead pipes to the sprinkler "heads."

When fire breaks out, heat releases the action of the sprinkler head, and it sprays water beneath.

In "dry-pipe" systems, where pipes are filled with air under pressure, the air is released by heat on the sprinkler valve and the air release in turn throws other mechanism into action which releases the flow of water.

"Wet pipe" systems contain nothing but water, released immediately when the sprinkler head operates, and in these systems it is possible for intense cold to freeze the pipes, burst them, and release water where there is no fire.

It was a bitterly cold, stormy, night when the alarm, sounded by the action of the sprinkler head, rang in the factory boiler-room.

When the alarm bell was heard by the watchman, his first thought was that the pipes had frozen, burst, and set the sprinkler system in operation. The real purpose of the sprinklers and the sprinkler alarm—to combat fire—escaped his mind and his first thought was to halt damage by water.

Then, in his search for the cause of the "trouble," he found the fire.

Again, according to preliminary investigation, he apparently lost his presence of mind, hurried to telephone for fire department assistance. In the excitement of the moment there was a hitch and the watchman failed to make his telephone connection, apparently through inability to find the fire department's number in the telephone directory—and unaware that he had only to get the telephone operator on the wire and tell her what he wanted.

Remembers—Too Late

From one mishap to another, the situation became increasingly serious. The now-unstrung watchman rushed from the building with the intention of raising the alarm. He was seen by a passer-by who told him an alarm had already been telephoned when the fire was seen from the street.

And then the watchman remembered the sprinklers!

He raced back to the factory, so the story goes, only to find that the lock of the factory door had snapped shut and barred his entry. Meanwhile the flames gained headway, an impotent sprinkler system's pipes bending and twisting from the ceilings as the heat grew more intense.

Later, firemen arrived, impeded in their journey by winter storm conditions, and too late to prevent the damage that followed.

"Lost His Head"

"The watchman evidently lost his head completely," said the sprinkler expert of a leading insurance organization, in commenting on the episode, and the same expert has one word of advice to factory owners and others who employ maintenance staffs.

It is briefly, that whether or not water damage is threatened, no sprinkler valve should be turned off until the cause of sprinkler action is determined.

"Find the fire first," is the cardinal rule. When it is found, it must be completely extinguished before sprinkler valves are turned to the "off" position. Experts state discretion should remain with the leader of the local fire detachment, that valves should remain open until, in the opinion of the fire detachment official in charge, it is safe to turn them off.

"Let the sprinkler system do its job. Find the fire. Keep your head, and get the fire department."

Canadian General Group Has Big Liability Cover

Public liability underwritings of the Canadian General group in 1935 totalled $98,844 in 1935, according to figures made available by the company to The Financial Post. The company's loss ratio of this class of business was 26.16 per cent on an earned basis. Net claims incurred during the year were $22,043.

In a recent analysis of casualty experience published by The Financial Post in its issue of April 4, a figure of net premiums written amounting to $73,767 for Canadian General Insurance Company in this class of business was inadvertently included as the amount of business written in the field of accident insurance other than personal and workmen's compensation coverage. Canadian General underwritings in this group were only $12 in 1935.

A. M. Hall Is Named To Stratford Post

A. M. HALL has succeeded H. A. Bruce as branch manager for the Imperial Life Assurance Company in Stratford, Ont. Mr. Bruce has been moved to Ottawa where he is branch manager. Mr. Hall became associated with the Imperial Life first as representative of the company at Ingersoll, in the London branch.

TO CARE FOR N.S. ROADS

From Our Own Correspondent

HALIFAX.—The sum of $1,961,000 will be spent in Nova Scotia during 1936 for highway maintenance.

United States Fidelity & Guaranty Company
TORONTO

British Manager

W. P. BRAUND

Who has been appointed manager of the British Isles Division, Canada Life, to succeed J. R. Wandless, who has retired after nearly 31 years service with the company.

Mr. Braund joined the company in 1921 as resident secretary at Plymouth. Three years later he was made manager at Bristol and in 1932 an agency supervisor at head office, London. In 1934 he became supervisor of provincial agencies.

London Life 'Par' Policy Rates are Up

Increase Varies from Five to 10 Per Cent on Contracts

A widespread increase in all participating premium rates of London Life Insurance Co. was put into effect April 1, The Financial Post learns. The increase varies from 5 to 10 per cent and as a rule is higher in the policies which bear a larger portion of investment premium.

The increase is due to the placing of the company's entire participating rate structure on a three per cent reserve basis.

Dividends Higher

A compensating feature of the increase is that dividends to policyholders are consequently increased. Thus on a policy such as the company's Jubilee ordinary preferred contract (annual dividend) at age 35, where the premium rate has been increased from $214 for a $10,000 policy to $224.60, the first year dividend is now quoted at $25.70 compared with a former dividend of only $15.90.

"Net cost" on a 20-year computation is said to be slightly lower than heretofore.

Cash Values

Cash values remain unchanged for most policies but on some contracts there has been an increase as for example a pension policy at age 60 where the age of entry is 35, the cash value at the end of the 25-year period is now $1,499 compared with a former figure of $1,436.

The rates on this type of policy for a male risk are now quoted at $51.54 for each $10 unit of monthly income as compared with a former rate of $48.14.

The change in rates has been contemplated by the company for some time and as reported in The Financial Post on Dec. 14 an increase in the company's non-par rates was put into effect at that time.

Comparative London Life Rates and Dividends
(Participating Annual Dividend Policies)

	Old		New	
Jubilee Ordinary Life:		First Year		First Year
Age	Prem.	Divd.	Prem.	Divd.
25	$15.80	$1.37	$16.50	$2.02
35	21.40	1.59	22.46	2.57
45	31.80	2.38	32.87	3.37
Ordinary Life, (Endow. at 85):				
25	16.90	1.78	18.61	3.37
35	23.00	2.39	24.66	3.93
45	33.91	3.48	35.27	4.74
20-Pay. Life, (Endow. at 85):				
25	24.98	2.59	27.32	4.76
35	31.60	3.25	33.65	5.15
45	42.05	4.29	43.52	5.65
20-Year Endowment:				
25	45.15	2.67	46.79	4.21
35	46.10	2.73	48.17	4.66
45	49.80	2.93	52.45	5.41

Insurance Inklings

WALTER FORD, formerly assistant superintendent of Prudential Insurance Co. of America, at Ottawa, has been appointed superintendent at Halifax for the same company.

SMITHS INSURANCE AGENCY is a new name of general insurance business formerly operated at Brampton, Ont., under the name Smith and Robinson. D. E. Smith is district agent for Imperial Life. A brother, Harry Smith, will handle the general insurance department.

HAROLD W. KEYES has been appointed assistant solicitor of Confederation Life Association. He joined the company's legal department in April, 1935.

ROBERT FLEISCHAUER has been appointed secretary to the medical department, Dominion Life Assurance Co. He was formerly registrar of the company. Charles Herbst, formerly of the claims and reinstatement department, succeeds Mr. Fleischauer as registrar.

DR. HARRY BELL KIDD, has been appointed to the medical staff at the Canadian head office of Metropolitan Life at Ottawa. The appointment comes as the result of the resignation of Dr. A. Burton Wilkes, formerly assistant medical director at Ottawa.

Pros and Cons Discussed Of Joint Life Policy

Excelsior Life Banner

The main advantage of a joint life policy is that it provides insurance protection for two or more persons for a certain period at less cost than when separate policies are taken by each of those persons. The reason is, of course, that under the joint life policy the company is liable for only one claim payment while under the individual policies more than one claim will be payable.

The joint life premium ranges from 10 to 40 per cent less than the sum of the premiums on separate policies based upon the respective ages of the lives insured.

Joint life policies can be used to advantage by married couples without children where the need for protection usually ceases at the death of either the husband or wife. The proceeds can be used by the survivor to cover the needs for cash in payment of the last illness and funeral expenses, and the remainder can then be used to provide an income for the survivor.

Joint life policies can also be used to advantage in those families with children where the death of either the father or mother will mean the stoppage of at least part of the income to which the family has been accustomed.

Death of Wife Often a Burden

Because of the savings possible in purchasing a joint life policy instead of separate policies on husband and wife, more protection can be provided for the family from a given amount of savings available for insurance.

It frequently happens that the death of a wife places as heavy a financial burden upon the surviving members of the family as does the death of the father. In many cases the death of the mother absorbs the entire savings of the family for several years and places an unnecessary handicap on the children.

Many a man would like to purchase a policy on his wife but he hesitates to do so either because he feels that he cannot afford it or because, if he can afford it, he feels the additional funds should be used to increase the protection on his own life.

Under the joint life plan he can secure the additional personal protection and at the same time, through the payment of an additional premium less than the cost of a separate policy on his wife, secure the protection he wants in the event of her death.

For instance, let us assume that upon analysis it is found that the prospect should have at least $5,000 additional insurance to cover his minimum needs. He would also like to have at least $1,000 protection on his wife, but feels that he cannot afford the premiums on the total of $6,000 insurance.

The agent can then point out that if the prospect takes $4,000 on the single life plan and $1,000 on the joint life plan, he still will have provided $5,000 insurance in the event of his death and $1,000 of protection in the event of his wife's death. Of course, after her death his insurance would be reduced by $1,000, but that would probably be in accord with a reduction in his need for protection. Such a plan often appeals since it provides the benefits desired and involves a saving in premiums.

Joint life policies are frequently used by business partners and for that reason joint life insurance is sometimes referred to as "partnership" insurance.

The joint life policy is of particular advantage where there are only two partners in the firm, not only because the premium is less than it would be if the partners took out separate policies, but also because the need for business insurance usually ceases upon the death of one of the two partners. In partnerships consisting of more than two partners, the need for protection usually continues and it is advisable, therefore, for the partners to have individual policies.

Disadvantages of Joint Life Policies

The chief disadvantage of joint life policies is that the protection ceases at the first death among those insured under the contract. The need for insurance among the survivors may then be as great or even greater than when the contract was issued. But since the old policy terminates at the death of one insured, the survivors must apply for new insurance at their advanced ages and must run the risk of not being able to secure protection because of uninsurability.

Another important disadvantage of the joint life policy, especially when used by business partners, is that when one of the partners wishes to withdraw from the firm, it is difficult sometimes to arrive at a satisfactory settlement in regard to the insurance. Such difficulties can be avoided when separate policies are issued for each partner. In event one of the partners wishes to withdraw, his policy can be surrendered for its cash value or transferred to the withdrawing member upon the payment of a proper consideration.

Occidental Life Places Half Million in Canada

New business paid for in Canada by the Occidental Life Insurance Co. during 1935 amounted to just over half a million dollars. The company now has $6.8 millions of business in force in this country. Both figures show a decline from the corresponding items at the end of 1934.

Reports for the company as a whole, according to J. W. Miller, general manager for Canada, show business sold and issued in 1935 in excess of that of any previous year, totalling $58.9 millions for a gain of $5.3 millions over 1934. The company's total assets amount to $26.6 millions—an increase of $4 millions for the year. Policyholders' surplus for the entire company is now slightly less than $3 millions, representing a gain of $245,000 for the year. Total business in force amounts to $210 millions.

J. W. Miller now in Los Angeles on his annual visit to the company's home office reports that Canadian business written in January and February was five times the corresponding figure of last year.

Northern Life Sales Up 21 Per Cent in 1936

Sales of new paid-for ordinary business during the first quarter of 1936 are 21 per cent greater than for the same period in 1935, according to Northern Life Assurance Co.

Sales of group insurance increased substantially also.

Obituary

Percy Ross Odell, Ottawa representative of the British General Insurance Co., Canadian Accident and Fire, and North Empire Insurance Co., at his home in Ottawa. He was born in Ottawa 48 years ago.

Charles Perley Smith, B.A., solicitor and member of the directorate of the Confederation Life Assn., at his home in Toronto. He was 75.

Saint John Cargo Tonnage Higher in March

From Our Own Correspondent

MONTREAL. — Cargo tonnage handled at the port of Saint John during the first three months of 1936 was greater than a year ago. For the four months ended March, 1936, imports totalled 288,841 tons and exports 663,986 tons, a total of 952,827 tons. For the corresponding period of 1935 imports were 272,458 tons, exports 484,476 tons, a total of 756,934 tons.

Sir Josiah Stamp Is Lloyd's Member

Sir Josiah Stamp, British economist, has become a member of Lloyd's, London, underwriters.

Described as the busiest man in Britain, Sir Josiah will be represented at Lloyd's by an agent, while Sir Josiah attends to his activities on a host of directorates and in official positions on transportation, financial and educational institutions.

Sir Josiah registered an assignment of certain debts to Lloyd's, a formality which all underwriting members must observe.

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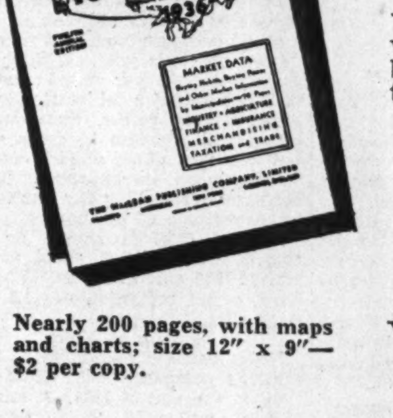

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●

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Week in Wheat

Unexpected Dullness As Buyers Mark Time

But Market Lull Expected To Be Temporary Only — Undertone Strong as U. S. Winter Wheat Prospects Decline

From Our Own Correspondent

WINNIPEG.—The wheat market was more sluggish than expected when Liverpool reopened after the Easter Holidays. World shipments were small probably the result of holiday interruption.

Some strength is being contributed by continued deterioration in United States winter wheat prospects since the government report. This is offset, however, by reports of excellent seeding prospects in Argentina, where farmers, under the influence of the high minimum price are planning a big acreage.

Lake freight rates are showing a slight tendency to weaken. On a six cent basis to Montreal some fairly extensive bookings took place for the opening of navigation. It was thought that the late opening in prospect would lead to an active business as soon as possible. Shipments out of Eastern stocks, however, have been smaller than anticipated, and exporters are showing a tendency to delay making further commitments for movement down the lakes. This may be a temporary condition to be followed by a change as soon as the heavy overseas clearances which have been booked for May, are cleared.

World Stocks Dwindle

QUITE apart from the question of price movements a steadier tone seems to be developing in the wheat markets of the world. To some extent this is seasonal and technical. World stocks are daily being depleted. The world reserve of food is every day represented more by growing crops, or crops about to be seeded, and less by stocks of wheat and flour on hand. Such a change always takes place at this time of year, after the harvests of the southern hemisphere, comparatively small in proportion to the total, have been largely sold, and as maturity of the vastly more important harvests of the northern hemisphere is awaited. In consequence the quantity of wheat and flour which has to be carried by the market structure of the world is daily growing less.

* * *

Extensive Selling

APPARENTLY the Canadian Wheat Board sees in this situation an opportunity to dispose of holdings. As part of that process there has been extensive selling of cash wheat in eastern elevators held by the Board.

True, to a large extent the Board still continues to carry hedges in the futures market against such wheat. But the change allows a greater play of merchandising forces, with the fixing of spreads between wheat of different grades and in different positions more dependent upon the play of such forces, and less upon arbitrary decision by the Board.

* * *

Grain Trade Warned

ALONG the same line is the warning given by the Board to elevator owners, exporters, millers and other holders of cash wheat in different positions. They have been told the Board may have conducted its last private arrangement for spreading hedges when it arranged the transfer of considerable part of its holdings from May to July. Those who intend to carry wheat beyond that time have been told they had better look to their own hedging on the open market, and not to rely on the Board's willingness to make another private arrangement for switching.

Evidently also the Board expects to dispose of a large quantity of wheat in May. Elevator owners have been notified they are to ship forward to terminals at the head of the lakes practically all of the remaining wheat of this year's crop which they have bought for account of the Board.

* * *

Liverpool Higher Now

ANOTHER element of strength in the situation is the relation between Winnipeg and Liverpool prices for futures contracts. The former are at a sufficient discount under Liverpool prices to enable wheat to be bought in Winnipeg and delivered in Liverpool on the contract against sales made there. Not long ago Winnipeg prices were actually above the Liverpool basis. In essence this means the Liverpool market is now being conducted on the basis of Canadian wheat, instead of Argentinian or continental wheats as was formerly the case.

* * *

To Hold or Sell

AUSTRALIAN farmers are reported to be rather slow sellers of wheat. As often happens at this time of year, much of the country is dry, and farmers are uncertain how much wheat the country can seed, a matter that may remain indefinite for several months if rains are slow to come.

It is characteristic of farmers there to be governed in their selling more by local prospects than by exterior circumstances. Thus at a time when western Canadian farmers are disposing of every possible bushel, for fear Wheat Board prices, which they now enjoy, may not be carried into another crop year, farmers in Australia are holding back. The Australians are possibly alone in that tendency. Argentinian farmers feel a pressure to dispose of every available bushel for fear the present government minimum price may not be continued. United States farmers too, consider that price level in that country may be lower during another year and are likewise quick to unload.

* * *

U. S. Wheat Future

A LATE spring may interfere with the seeding of spring wheat in the United States, in the opinion of R. D. Colquette of the Grain Growers Guide. Most of this wheat is sown in the northern states where, as in Canada, the winter has been cold and backward. Under these circumstances, Mr. Colquette does not appear to take too seriously the recent United States Government estimate of an increase of three million acres in the spring wheat acreage in that country this year. This increase was based on a survey of "intentions to plant" by U. S. farmers taken March 1.

Under average conditions, states Mr. Colquette, the United States will have a surplus over requirements this year. But he seems to doubt that there will be any permanent reversal in the trend of decreasing U. S. wheat acreages. With A.A.A. payments in the discard, he points out, the American grower will take a crack when his price comes down to world levels, which of course would be the case just as soon as that country gets on an exportable basis. During the past year, it will be recalled, a domestic shortage in the United States of anywhere up to 50 millions of bushels permitted prices within the confines of United States to rise behind the 42 cents a bushel duty. With a return to world prices, Mr. Colquette believes there will be fresh incentive to decrease wheat acreages in United States.

Canadian Tobacco

The year 1935 was an exceptionally good year for tobacco production in Canada, according to a federal report, and particularly for flue-cured tobacco in Ontario. The acreage increased from 40,963 acres in 1934 to 46,870 in 1935 while production rose from 39,000,000 pounds to 54,500,000. This is the highest production ever recorded in Canada.

DIVIDEND NOTICES

Montreal Tramways Company

ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Shareholders of MONTREAL TRAMWAYS COMPANY will be held at the Head Office of the Company, Tramways Building, 159 Craig Street West, Montreal, on Monday, the 27th day of April, 1936, at 12.00 o'clock noon.

This meeting will be held for the purpose of receiving and considering the Annual Report and Financial Statements, for the election of Directors, the appointment of Auditors, and for such other business as may properly come before said meeting.

The Transfer Books will be closed from the 7th day of April, 1936, to the 26th day of April, 1936, both days inclusive.

By Orders of the Board,

PATRICK DUBEE,
Secretary-Treasurer.

Montreal, March 16th, 1936.

Zellers Limited

Notice is hereby given that an Interim Dividend of one and one-half (1½) per cent ($1.50) has been declared on the Preferred Shares of Zellers Limited and will be payable on and after May 15th, 1936, to Shareholders of record at the close of business on April 30th, 1936.

By Order of the Board.

T. E. McDERMOTT,
Secretary-Treasurer.

Anglo-Canadian Telephone Company

Preferred Dividend Notice

Notice is hereby given that a dividend of One and Three-quarters Per Cent (1¾%) has been declared on the 7% Cumulative Preferred Stock of the Company for the Quarter ending April 30, 1936, payable May 1, 1936, to Stockholders of record at the close of business on April 15, 1936.

By Order of the Board.

GEOFFREY PURDY,
Secretary.

Montreal, April 15, 1936.

The Guelph Carpet & Worsted Spinning Mills Limited

PREFERRED DIVIDEND No. 28

Notice is hereby given that a dividend of One and Five-eighths per cent (1⅝%), being at the rate of Six and One-half per cent (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet & Worsted Spinning Mills Limited, for the Three Months ended April 30, 1936, payable May 1, 1936, to Shareholders of record at the close of business April 17, 1936.

By Order of the Board.

B. F. GRIGGS,
Secretary-Treasurer.

Guelph, Ont., April 17, 1936.

Vulnerable Mills Worry England

Not only does Great Britain appear to be worried about her short supply of wheat in the event of European hostilities, but the fact that most of the big mills of that country are located at the larger ports has also given rise to some uneasiness.

At a recent dinner of Bristol Channel and West of England Corn Trade Association, a speaker representing the Docks Authority said that although he welcomed the big mills at the quayside, these same mills were going to be a wonderful target for air raiders in time of war. In his opinion, the better policy would be to maintain inland mills.

Review Schemes To Sell Wheat

University Studies Government-sponsored Marketing Plans

Canadian wheat stabilization operations from 1929-1935 and similar operations in the United States under the Federal Farm Board are reviewed in the Wheat Studies for March by the Food Research Institute of Stanford University of California.

Big Plans

"In the period dating from the beginning of the crop year 1929-30 in United States, and continuing in Canada until the close of the crop year 1934-35, centralized wheat co-operatives with the support of government money and credit, operated in the wheat markets of their respective countries on a scale never before achieved or possible to any regular market agency," states the monthly booklet.

"These co-operatives did not work together, and phases of their activity did not strictly correspond in time, but their market policies were similar and a combined influence on world wheat markets might be expected. A study of this period should yield important lessons in the principle of marketing," it is stated.

Trace Developments

The booklet, while admitting it is not yet practical to bring all relevant facts under review, traces these developments in connection with the operations of the co-operatives in United States. The developments in Canada are more fully presented, the main elements of the Canadian situation between August 30, 1931 and July, 1935, being assembled in graphic form.

Questions are raised as to direct effects produced and more general questions as to the extent to which wheat prices can be influenced by special market operations of this type. In so far as answers being clearly indicated by the facts under examination, such answers are tentatively suggested. Definite conclusions of the broad issues involved are not attempted.

Australia Adopts Low Priced Home

Cottages With Gardens Financed at Six Shillings Weekly

Australia too has its government scheme to boost housing. But other objectives than employment are sought in the sister Dominion. Main activities have been directed against old dwellings that are no longer considered habitable.

Eighteen months ago, a trust, known as the Homes for Unemployed Trust, was set up which up to March this year had spent £70,000 out of £200,000 allocated to it by the government. It is expected the government will vote additional money when the present fund has been exhausted.

Six Shillings Weekly

The purpose of the trust is to give assistance to the man living in conditions prejudicial to the health and morals of himself and his family and to relieve house owners whose tenants are unable to pay rent. The trust acquires land and builds cottages, and sells the resulting cheap homes (costing £200) at the rate of six shillings a week. Nearly every purchaser, it is said, is up to date with his payments.

Where homes are built near one another, different designs are adopted. The houses consist of three bedrooms, a living room, verandah and combined bathroom and laundry. The land purchased must be large, and fertile enough, to grow vegetables for the family.

Norris Grain Co. Buys More Boats

Norris Grain Co., of Winnipeg, is reported to have bought a fleet of six grain carrying vessels from the Eastern Steamship Lines for an amount upward of $300,000. The boats have been wintering at Lake Erie and Lake Ontario ports.

Norris Grain is already operating a fleet of grain carriers on the Great Lakes.

New Elevators For Argentine

System Similar to Canada's Ready in Four Years

Within four years, Argentina hopes to have a string of country elevators and terminals similar to the system in vogue in Canada. A major difference, however, will be in ownership. In this country, of course, the bulk of the elevators are privately owned, whereas the Argentine appears to be planning a publicly owned system. At present, that country has been shipping wheat to the seaboard in bags. Lacking adequate storage capacity it has had little choice but to dump volume on world markets whether the latter were in a receptive mood or not.

The new system planned by the Argentinian government will embrace over 300 country elevators with capacities ranging from 75,000 to 185,000 bushels each. There will be 15 terminal elevators with an aggregate capacity of 22 million bushels.

The government, it is said, will go ahead and acquire the present terminal elevator capacity for bulk storage of approximately 20 million bushels, which is now under private ownership. When completed and coordinated, the new elevator system will have a total capacity of not far short of 100 million bushels.

New Wheat

A return to winter conditions in the western provinces a week ago dampens possibility of even a fairly early spring in that area.

* * *

Continued cool weather in eastern Canada with some alternate freezing and thawing has caused anxiety regarding winter wheat. Normally the crop amounts to 20 million bushels.

* * *

While scattered showers are reported over the southwestern winter wheat area of United States, the general situation continues dry and there have been serious dust storms.

* * *

Only once before in the last fifty years has less March rainfall been reported in Kansas, while for the first three months of the year weather has been the dryest on record.

* * *

As a result of unusually cold weather in the Pacific northwest of United States, damage to winter wheat throughout that area is expected to be abnormally heavy. Dust storms in the interior have aggravated the general situation. It is from this district that a large portion of the exportable surplus of soft winter wheat is grown. Much of it finds a market in the Hawaiian Islands and the Orient.

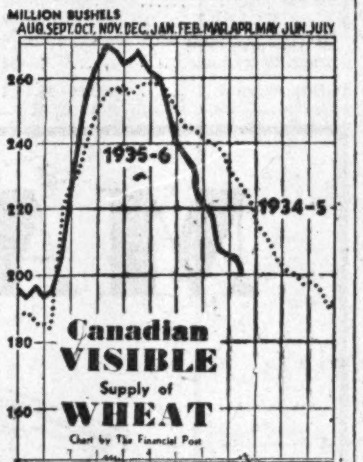
* * *

Cold weather and snow indicate a late seeding season for spring wheat in the northwestern United States, where conditions, of course, are similar to those on the Canadian prairies.

* * *

Private estimates of the coming United States winter wheat crop to date average 536 million bushels and over 15 per cent of abandoned acreage. This compares with an actual crop of slightly over 433 million bushels in 1935 and a five year average of 618 million.

Five Million Bushels



Canada's visible supply of wheat in marketable positions dropped slightly over 5 million bushels last week. Export clearances amounted to over 2 million bushels. Canada's carryover is now at a point not reached before the middle of June last year.

With corresponding sales during the 16 weeks of the current crop year yet remaining, carryover next August should be reduced to 120 million bushels. As country deliveries have now reached within a few million bushels of the vanishing point and as sales recently have shown a tendency to rise, most observers, however, expect old stocks to be cleared out at a faster pace in the next few months.

Canadian Visible

Week of April 10	Week previous	Last year
200,349,000	205,476,000	225,861,000
Export Clearances‡		
2,073,875	3,165,704	2,527,468

‡ Plus U. S. imports.

Wheat Exporting Picture Shows Big Change in Year

That Canada's statistical position in the world of wheat is materially improved over that of a year ago is indicated by the fact that the present carryover by chief world exporters is almost a third less than at this date in 1935. A year ago, Canada, the Argentine and Australia had among them over 450 million bushels of wheat as compared with approximately 330 million today.

As most observers agree that last year's imports of wheat by European and other consuming countries was something in the nature of a record low, the present balance in exporting countries is generally believed to be, if anything, on the short side. That there will be very substantial withdrawals from accumulated stocks before new 1936 crops start coming in, is believed certain.

The following table, prepared by the Western Grain Company, shows the present statistical picture:

	Position at Beginning Crop Year Aug. 1935					Present Position		
	Carry-over	New crop	Total	Domestic consumption	Available for export	Exports to Apr., '36	Carry-over Apr. '36	Year ago Carryover 1936
Canada	215	277	492	110	382	149	233	262
Argentina	53	144	197	95	102	54	48	105
Australia	47	140	187	55	132	82	50	90
Totals	315	561	876	260	616	285	331	457

Note:—All figures in millions of bushels.

Blue-Garbed "Army" Protects Business

Commissionaires Provide New Type of Confidential Service

By THOMAS C. THOMPSON

Canadian business has acquired a private, uniformed "army."

Unlike the black, brown, green and multi-colored shirt organizations of Europe, Canada's business army has no political purpose.

Neither is it a military organization in the strict sense of the word; or a police force, although its members are becoming a familar sight, in blue military-style uniforms in the financial sections of Toronto and Vancouver. They may soon appear in Montreal and other financial centres.

They are members of the Canadian Corps of Commissionaires, ex-soldiers and sailors, most of them former Imperial army non-commissioned officers, who have been recruited by business for service as confidential messengers, clerks, doormen, trust company messengers, brokers' aides, and in a score of other capacities in which the element of trust comes first.

Membership in the corps, modelled after the famous English Corps of Commissionaires, founded by Sir Edward Walters, K.C.B., after the Crimean War in 1859, is as difficult to obtain as entry into an exclusive club.

Among the men serving in Toronto, for example, are former soldiers and sailors with unblemished military records extending over 15 and 20 years. Most of the men have served in the forces of the Empire for twelve years or more and there are medals and decorations represented by the score.

Trained With King George V.

One Toronto commissionaire now about 70 years of age, and his blue-uniformed jacket widely decorated with service ribbons, was a former instructor of the late King George V., when the latter was undergoing military training on the drill square. The commissionaire strides through the financial section of Toronto, carrying his black dispatch case, as briskly as he used to give drill instructions to the late king. There is no slackening of the military esprit de corps through age or length of service, among the members of the corps.

Another commissionaire provides a striking example of the diversity of service given to business by the organization. He is a former major, with a distinguished record, and as a commissionaire is now acting as an accountant in a Canadian financial institution, his duties having been assigned by the corps, with mufti as "the order of dress."

The Economic Factor

The story of the Canadian Corps of Commissionaires is one of the most colorful in post-war Canadian business.

Demobilization of former soldiers and sailors after the war, presented much the same problems that arose when the older English corps of commissionaires was first created. Men who could return to former civilian occupations had no need for assistance, beyond that given by the government.

But men who had spent their lives in the army and navy, and found themselves out of the service, with excellent records, but unfitted for anything but unskilled labor, presented another problem.

Should they be allowed to drift into idleness, or was there some way in which the training, traditions, and character molded by army life could be used in the service of business?

Prominent businessmen in Toronto, most of whom held high army rank at the close of the war, were the sponsors of the corps as it is now organized in Canada. Taking their cue from the English system, which has become world famous, they gradually gathered a nucleus of qualified men, and the corps has since grown to become an important adjunct of the business and financial community in Toronto and Vancouver.

Carefully Chosen

Its organization is unique, in both a military and economic sense. Men are chosen for membership only after searching scrutiny of their records, and placed on the rolls of the corps for duty assignments. Employers in turn, apply for men in whom they desire to repose tasks of trust or confidence, and commissionaires are assigned in accordance with their particular qualifications for the nature of the work. Remuneration is based on the importance of the assignment.

Most of the corps carry out their civilian duties in uniform, but others act in civilian clothes if the work calls for this form of dress. The task may range from standing guard over the gifts at a fashionable wedding to a highly specialized job of cost accounting, but in either case the commissionaire is responsible not only to the civilian employer, but to his corps as well.

"The Guards"

Typical of the membership in Canada's Corps of Commissionaires is ex-Sergeant Joseph Hayes, late of the Coldstream Guards, holder of the Egyptian Medal, Khedive's Star and Imperial Service Medal. He is 70, but doesn't look it.

Commissionaires have no power to act as police, beyond that possessed by the ordinary citizen, and for a time it appeared their functions might be misinterpreted by police authorities. That attitude has passed, however, in the light of noteworthy services provided by the corps on a dozen instances, not the least enterprising being their use by hotelkeepers as doormen.

There is something about a stalwart, uniformed and bemedalled veteran that acts as a deterrent to even the most boisterous hotel habitues

Proud of Record

"We have men with widely varied qualifications," says Lieut.-Col. S. B. Pepler, M.B.E., M.C., commandant of the Toronto company of the corps, "but we select them on the basis of their qualifications for the job on hand. The men are proud of their organization, and they know that their trustworthiness to business and financial institutions is their greatest asset."

The corps is growing, in spite of the fact that ex-servicemen are becoming older as the years since the war slip past. Even further growth is expected, according to Captain Handley Geary, V.C., adjutant of the Toronto company, because the corps is commencing to "recruit" its men from those who have served in the permanent forces of Canada and Great Britain and who are being retired at the age limit.

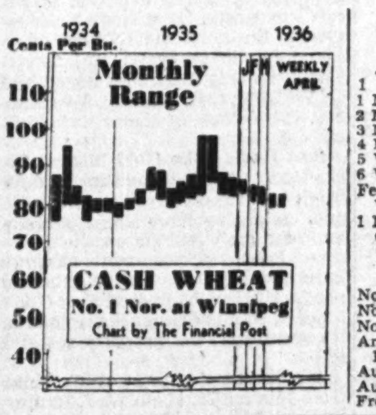
Businessmen on Board

Operations of the corps are directed by a board of governors, consisting of men prominent in the financial and business life of Toronto and Vancouver.

The board of governors includes such men as Air Vice-Marshal W. A. Bishop, V.C., Major-General Garnet Hughes and Brig.-Gen. W. H. P. Elkins. They are not sentimentalists, but in the early, struggling years of the corps many of them advanced the money for purchase of uniforms or equipment, and they did so because they believed that men who served their country faithfully were worth something to it economically.

Sponsors of the movement in Toronto confess to a glow of satisfaction when they view the ranks of blue-uniformed men at "annual inspection" when commissionaires receive the well-earned compliments of the notable who passes down their straight and immovable ranks.

Wheat Prices



(Cash Quotations)

	For Week Apr. 14 High	For Week Apr. 14 Low	Prev. Week High	Prev. Week Low
At Winnipeg:	$	$	$	$
1 Man. Hard	.81⅞	.80¾	.81¾	.79¼
1 Northern	.80½	.79½	.80¾	.78
2 Northern	.78¼	.77¼	.78¼	.75¾
3 Northern	.74⅝	.73¼	.74	.71¾
4 Northern	.71¼	.70	.70⅝	.68⅝
5 Wheat	.64⅛	.62½	.63	.60⅞
6 Wheat	.52⅛	.51¼	.51	.49⅞
Feed Wheat	.45⅛	.44¼	.45¾	.42⅞
Vancouver: Week to April 8:				
1 Northern	.78½	.76⅞	.80½	.77⅛

Competitive Export Prices:
(April-May) shipment.

	High Week to Apr. 8	Low Week to Apr. 8
No. 1 North. (Vanc.)	0.94⅜	0.93⅛
No. 2 North. (Atlan.)	0.90⅞	0.90⅛
No. 2 North. (Vanc.)	0.93⅛	0.91⅝
Argentine Rosafe	unquoted	
Do., Barusso	unquoted	
Australian (Afloat)	0.91⅝	0.89⅞
Australian	0.94¾	0.92⅝
French	unquoted	

Winnipeg Grain Futures

Week to April 14, 1936

Crop year from Aug. 1, 1935 High	Low		Open Apr. 8	High for week	Low for week	Close Apr. 14
		Wheat				
1.02¼	.78½	May	.80	.81½	.79⅞	.81⅛
.92⅞	.79½	July	.81⅞	.82⅝	.80¾	.82⅛
.89	.80	Oct.	.82	.83⅛	.81½	.83
		Oats				
.33⅝	.29⅝	May	.31½	.31⅞	.31¼	.31¾
.33⅝	.30	July	.31⅞	.32⅛	.31⅝	.32
.31¾	.30⅛	Oct.	.31¾	.31¾	.31⅝	.31⅝
		Barley				
.42½	.34⅝	May	.38⅝	.39	.38⅝	.38⅞
.40¼	.35⅝	July	.38⅝	.39¼	.38⅝	.39⅛
		Flax				
1.65	1.33	May	1.50	1.52	1.49	1.51
1.63	1.40¼	July	....	1.50⅝	1.47	1.49⅞
1.47¼	1.46¾	Oct.	....	1.47¼	1.46¾	1.46¾
		Rye				
.51⅞	.40⅞	May	.42¼	.43¼	.42⅛	.42⅝
.48½	.41⅞	July	.43⅛	.44⅛	.43⅛	.44⅛
.49	.43⅝	Oct.	.45¼	.45⅛	.44½	.45⅝

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The Week in Mining

Rise in Copper Prices Reflected in Markets

Effect on Canada Bullish, But World Background Remains Obscure — Premier in Australia

With the price of domestic copper at New York rising to the highest level since March, 1931, stocks in Canadian copper producers and potential producers have come in for some lively trading in recent days.

One of the tangible results of the recent steady rise in copper was the announcement that Sherritt-Gordon Mines, the former Manitoba copper producer, idle for four years, plans to resume development work.

Canada Looks Fortunate

While close observers of the complicated world copper situation appear to agree that a major rise in copper prices seems fairly far distant at the present time, it seems obvious that Canadian copper producers are in the happy position of standing to gain, whatever the outcome.

Due partly to the fact that 75 per cent of the world copper producers are operating at 25 per cent of capacity, and partly to the revival in the heavy industries, in United Kingdom and in United States, the balance between world stocks and world demand has, of late been better adjusted, and the price, both for U. S. domestic copper, and in the world market has improved.

But it is not considered likely that signatories to the copper agreement will be content to operate at a quarter of potential output if copper prices rise much above say, ten cents per pound. It is for this reason that most observers feel that the chances for a material improvement of copper prices is unlikely in the immediate future.

However, even a stabilized price of ten cents per pound would materially aid Canadian mining companies, none of whom signed the curtailed production agreement.

While the price of domestic copper in the United States has no direct bearing on the situation as it affects Canadian producers, inasmuch as the United States domestic price is protected with a four cent per pound tariff, the export price in New York has been only slightly under the domestic price.

* * *

Premier's "Aussie Baby"

Shareholders of Premier Gold Mining Co. are becoming more and more intrigued by the company's holdings at Big Bell, Western Australia.

Even making allowances for the old adage about far away fields, the annual report of this company gives good grounds for this interest. Work on the 250-ft. level has indicated an average width of 78 ft., with values averaging approximately 3.7 dwts, or about $6.47 per ton in Canadian funds. While this grade is not high, the widths are encouraging, and coupled with the fact that drifting on the vein at this level has been carried out for a total length of 1,263 ft., indicate that Premier might have acquired a valuable asset "down under."

The Australian development is obviously a large-tonnage, low-grade proposition, and accordingly Premier is going ahead with construction of a 1,000-ton reduction plant, in which Premier will have a 40 per cent interest.

* * *

McKenzie's Report

McKenzie Red Lake Gold Mines, junior producer in the Red Lake field of Ontario, made an excellent showing for the first ten months of its production.

The mill at this property has worked with exceptional efficiency, average recovery for the 10 month period being in excess of 98 per cent.

With overall operating costs, including mine, mill, head office and general expenses working out to only $7.45 per ton of ore milled, as against an average recovery of $14.76 per ton, McKenzie Red Lake has a comfortable margin of profit. These costs, of course, do not include taxes and depreciation, the former of which amounted to $20,086, or over 55 cents on every ton of ore milled.

* * *

Smelter Has Surprises

The annual report of Consolidated Mining & Smelting Co., contains several surprises. Those numerous commentators, (among them the mining department of The Financial Post) who predicted considerably higher earnings than $6.60 per share, were in most cases misled in their estimation of taxes. Few would have thought that taxes paid by this company, which spends at least as much as any other Canadian company in developing new mines, would have risen over 155 per cent over the 1934 figure.

As pointed out by James J. Warren, president, this increase has not been brought about by an increase in the percentage of the levies, but by arbitrary changes in the allowances for depreciation, exploration, etc.

"There is no disposition," states Mr. Warren, who, in view of his position may be said to be speaking for the whole industry, "on the part of industries to evade or escape reasonable taxation, but when their contributions are not reducing either national or provincial debts—which, on the contrary are increasing year after year—expansion of operations, if undertaken at all, must be with many misgivings."

* * *

Chibougamau Development

Those speculators who have been handling with caution the Chibougamau development of Smelters are largely justified by the report of both Mr. Warren and W. M. Archibald, vice-president in charge of mines.

As pointed out in a recent issue of The Financial Post, work done underground on the Cedar Bay property of Consolidated Chibougamau Goldfields has not been as satisfactory as drilling seemed to indicate—certainly not as satisfactory as bullish rumor-mongers would have had it. Widths have been narrow, and lengths not as yet up to expectations. Although, in its listing application to the Toronto Stock Exchange, Consolidated Chibougamau made no mention of values, Mr. Archibald states that grade has not confirmed drilling results.

Officials of Smelters point out that it will probably be a year, or longer, before definite conclusions on the property can be reached.

These facts do not, of course, mean that the Chibougamau area is not a promising enough prospect. The fact that it is taking so long to prove its worth is because the ore, being of comparatively low grade, and copper prices still below normal, it will be necessary to prove up large tonnages. Chibougamau, more and more, appears to be a large tonnage proposition or nothing at all. There appears no reason, at present to believe that it will not be a large tonnage proposition.

Cariboo Quartz Mill At 200 Tons by July

From Our Own Correspondent

VANCOUVER. — New equipment will be installed and in operation at Cariboo Gold Quartz by about June 15, replacing that part of the plant destroyed by fire, according to Randal R. Rose, general manager. The powerhouse was practically destroyed, but with the new installation the 150-ton mill will be in working order again by mid-June.

Meanwhile the 50-ton enlargement to the mill is proceeding satisfactorily. By late July the mill will be able to go on a 200-ton basis. Engines to be delivered early in June will operate the 150-ton mill, but a larger engine will be required for the increased capacity.

The English factory happened to have an engine of the required type ready for shipment when the order was placed, so delay has been eliminated.

Vanson-Manitoba Cash Reported at $7,189

From Our Own Correspondent

WINNIPEG. — Vanson Manitoba Gold Mines has $7,189 in cash in its treasury according to a financial statement issued, prior to the annual meeting. Investments are shown at $38,696, which represents the company's holdings in Gold Lake, obtained for the Vanson mining plant. The company is now inactive. Development expense is shown at $124,376 and property is included in the assets at $100,000.

Current liabilities are confined to accounts payable of $410. Shares to the number of 572,966 were issued for $170,787 cash and 1,014,375 issued for assets acquired and services rendered leaving 912,659 shares in the treasury.

Sudbury Mines—Reports that the underwriting provided in the agreement dated March 2, 1936, having been completed, all payments under the option clauses have been extended for 30 days.

Porcupine Crown—Reports that payments due March 13, April 13 and May 13 under the underwriting and option agreements of January 8, 1936, have been made.

Hear Bullish Reports On BRX Development

From Our Own Correspondent

VANCOUVER. — Optimistic reports continue to come out of the Bridge River district concerning the BRX property. It is said the California shear developed to some 900 ft. of depth and now being explored by a deep level tunnel being driven from the north end of the company's holdings, extends into the Pine group, controlled by Bridge River Associated Mines, and strikes in the direction of the adjoining "R" group holding of Bridge River Motherlode. The principal shareholders in Bridge River Motherlode are the R Group Syndicate, Reward Mining Co. and Vanalta Oils.

Drilling Suspended At McMillan Gold

From Our Own Correspondent

SUDBURY.—The diamond drilling programme, which has been under way at McMillan Gold Mines, in the West River area, was suspended at the week-end. No details are available as to the results secured in the drilling, which has been centred at the 875-ft. level.

George M. Miller, of Sudbury, president of McMillan, says the directors are calling a meeting of the shareholders, to be held at the end of April or the beginning of May, at which the future policy of the company will be decided.

Arrow Gold Syndicate Works Rice Lake Group

From Our Own Correspondent

WINNIPEG.—Arrow Gold Syndicate Ltd. has been formed to develop a group of nine claims on the north shore of Wannipigow Lake in the Rice Lake mining division. One gold discovery has been made on the group showing rather high values over a limited area and the company just formed plans surface work.

Arrow Gold also holds 50,000 shares of Ranger Gold Mines, 50,000 shares of Rice Lake Gold Mines and 50,000 shares of Bissett Gold Mines on which drills are now operating. W. K. Harding is in charge of the technical work.

Dominion Coal March Output Up

From Our Own Correspondent

GLACE BAY, N.S.—Dominion Coal Co. production in March was 244,475 tons. This compares with 189,649 tons in March, 1935, and an increase of 30,000 tons over February, 1936.

Number 12 colliery at New Waterford, N.S., was high liner with a monthly hoist of 57,989 tons.

Leitch Results Cheer Springer

Report from Thunder Bay Area Shows Interesting Ore Shoots

Chief speculative hope of Springer Sturgeon Gold Mines lies, at the present time, in its interest in Leitch Gold Mines, a perusal of the annual report indicates.

Leitch, which is a gold prospect in the Thunder Bay district of northern Ontario, is opening up the veins on three levels down to the 325-ft. level.

Eight diamond drill holes have intersected an ore shoot developed on surface in No. 1 section, at varying depths to 310 ft., and give an average width of 15.25 inches, and values, after deducting high assays, of 1.20 ounces gold per ton.

On the No. 2 section ore body, three drill holes to shallow depths gave values of $29.40, $11.55 and $73.85 over widths of about 10.9 ft. The ore shoot on the No. 1 section has been developed for a length of 226 ft. and on the No. 2 section, for a length of 210 ft.

Stations have been cut on the first and second level, and the shaft is continuing down to its immediate objective of 350 ft.

Drilling which started Feb. 15, 1936, has indicated another ore shoot to the east of the original veins.

It is expected Springer Sturgeon will have, after exercising all of its options about 500,000 shares of Leitch in its treasury.

Amorada Gold Mines

Karl Springer, president, refers in his report to the amalgamation of Springer Sturgeon's property in the western section of the Sturgeon River area with that of Brennan & Kenty Bros. Prospecting Co., and the formation of Amorada Gold Mines, as reported at the time in The Financial Post.

Springer Sturgeon purchased 100,000 shares of Amorada stock at 10 cents per share, in addition to obtaining 500,000 for its properties. This purchase supplied funds to continue development work. Options received on 1.8 million additional shares have lapsed.

Development work on this property has been fairly encouraging, and will be continued when financing is arranged.

The balance sheet of Springer Sturgeon as at Dec. 31, 1935, shows current assets totalling $38,210, including over $20,000 cash. Current liabilities, comprising only accrued salaries, amount to only $50, leaving the company with a comfortable working capital position.

Preliminary development costs and sundry expenses have been capitalized on the balance sheet at $14,438, and cover expenses since the inception of the company in September, 1934, until Dec. 31, 1935.

Again See Mill For B.C. Nickel

Ore Reserves Are Near 2-million-ton Objective

From Our Own Correspondent

VANCOUVER. — Addressing the annual meeting of shareholders of B. C. Nickel Mines, Col. Victor Spencer, the new president, said he would be "surprised" if a mill was not commenced during the end of the year to handle ore from the Choate, B.C., property.

It is proposed to have a mill of 500 tons capacity. It will take from six to eight months to complete the project. A good deal of preliminary work will have to be done before the company will feel in a position to go ahead with the mill, but Col. Spencer said the outlook was extremely favorable.

Major C. B. North, superintendent, reported ore reserves were estimated a year ago at 700,000 tons, averaging 1.25 per cent nickel. This figure has now been increased to 1,042,000 tons at present, with an average value of 1.41 per cent nickel. It was expected 2,000,000 tons of better than 1.25 per cent ore would be reached shortly. Since the beginning of operations 12,792 ft. of tunnel have been driven, with 94,172 ft. of diamond drilling and 1,000 ft. of raises.

It was the fourth annual meeting for B. C. Nickel. The vacancy caused in the directorate by the death of David Sloan has been filled by C. D. Keading, of Toronto. Other directors re-elected were A. H. Douglass, G. Nelles Stacey, J. T. Johnston and Col. Spencer, all of Vancouver; Bernard E. Smith, of New York. Thomas E. Bragg, of New York was not a candidate for re-election.

Afton Results Found Good

Sudbury Hears Accumulation Behind New Market Activity

SUDBURY.—While no new details of development have been issued lately, renewed market activity was evident in Afton Mines shares last week, and it was stated that the buying came from fairly widespread sources. Unofficially it is reported recent progress has been promising. Consolidated Mining and Smelting Co. operator of the property, stated in its annual report that results were "satisfactory."

A few weeks ago, J. B. Street, president of Afton Mines, visited the property and issued a report on operations. Since that time the programme of drifting and crosscutting has been continued on two levels.

Afton Mines owns a one-third interest in New Golden Rose, being 1,000,000 of the 3,000,000 shares authorized The balance is being taken up by Smelters as the work proceeds.

World Gold Output

World production of gold in January is estimated at 2,620,000 ounces; during the preceding month 2,751,000 were produced. Production from South African sources totalled 924,000 ounces as against 909,000 ounces in December. The United States, including the Philippines, produced 291,295 ounces.

Mining Enquiries

Chromium Mining

Please give me any information you have concerning Chromium Mining & Smelting Corp. Ltd. I understand it is quoted over the counter around $2.10 a share. What is the outlook for this company?

Chromium Mining & Smelting Corp. was incorporated in May, 1934, to develop a chromium deposit, totalling 1,900 acres in the Thunder Bay district 70 miles north of Port Arthur and near Collins, Ontario.

The deposit has been known for a number of years, but prior to the formation of the present company the financial background of the operators was not such as to inspire confidence. We have reason to believe, however, the present management has rid itself of this objectionable element, and certainly the development of the property since the new company took over has been business-like and encouraging.

The company brought its smelter at Sault Ste. Marie, Ontario, into production last August, and the current production rate is approximately 4 million pounds of chromium per annum. It is expected that after all charges a profit of approximately nine cents per pound should be made. In addition, the company claims to be able to produce approximately 5,000 tons ferro-silicon per annum, from which a net profit of approximately $40,000 is expected.

Reports of government engineers and others have fairly well established the fact that ore reserves are satisfactory.

The N. H. Timmins Corp. recently became financially interested in this enterprise.

Falconbridge Nickel

One of our clients has read in a Toronto publication that they advised to sell Falconbridge Nickel. We would appreciate a report from yourselves in regard to selling this security.

The record of the publication mentioned by you is not such as to inspire much confidence in its market opinions.

In urging its readers to dispose of their Falconbridge stock, this publication shows itself to be unacquainted with either the general outlook for nickel or the outlook for Falconbridge.

Falconbridge has never had the earmarks of a big producer, but it has demonstrated tangibly that it is capable of operating, during times of low copper prices, at a comfortable profit. While there has been in the past three or four years a slight decline in grade noticeable in the company's ore reserves, the actual tonnage has shown an encouraging increase, and the gross value of ore reserves at present is higher than ever. In addition, the company has benefitted greatly by the aggressive sales and marketing policy of International Nickel Co. As a result, markets for nickel, for industrial peace-time purposes, are widening rapidly. In addition, due to the fact that International Nickel Co. holds a virtual monopoly on world consumption, producers of nickel are assured of a stabilized price—a fact which is of paramount importance to any mine.

Falconbridge is a subsidiary of Ventures and has in the past three or four years earned its dividend by a comfortable margin.

Island, God's Lake

On several occasions, we have tried to obtain information, from various sources, concerning the activities of "Island and God's Lake Gold Mining Syndicate."

If you have any information of any kind concerning the above, we would certainly appreciate it, as we have several clients with this stock, some of it costing as high as $350 per unit.

Island and God's Lake Gold Mining Syndicate holds property consisting of slightly over 20 claims in the God's Lake area of Manitoba, east of Smelter Gold Mines. In September, 1933, East God's Lake Gold Mining Co. was formed, with the intention of taking over the syndicate's property. East God's Lake issued to the syndicate 1,750,000 of its shares for the property. This is virtually the only asset that Island and God's Lake Gold Mining Syndicate has. This stock, of course, is held in escrow.

East God's Lake Gold Mining Co. has attempted for some time to raise funds to carry on development work, and claims to have spent already approximately $12,000 on the property. Recent developments at God's Lake Gold Mines, the neighboring producer, have hampered East God's Lake in its financing programme. In the meantime, the property remains idle.

The address of East God's Lake Gold Mining Co. is c/o W. J. Hanley, Federal Building, Toronto. The company has an authorized capitalization of 3.5 million shares no par value.

Canadian Gold Production

Gold production in January amounted to 277,554 ounces as compared with 307,326 in December and 238,651 in January, 1935. The following was the production by provinces with the 1935 figures in brackets: Ontario, 183,161 (168,676) oz.; Quebec, 45,242 (32,102) oz.; British Columbia, 35,130 (25,762) oz.; Manitoba and Saskatchewan, 12,865 (11,495) oz.; Nova Scotia, 1,077 (580) oz. Jewellery and scrap contained 3,343 ounces, or 32 per cent less than a year ago.

Mining Company Reports

Consolidated Mining & Smelting Co.

Net profit of $4,306,560, or $6.60 per share, is shown in the annual report of Consolidated Mining & Smelting Co. for the fiscal year ended Dec. 31, 1935. This compares with a net profit of $2,211,560, or $3.39 per share in 1934.

Mining and income taxes rose sharply, from $450,187 in 1934 to $1,150,000 in 1935, an increase which largely accounts for the reduction in net profit below the estimates. Gross sales showed a material improvement over the 1934 figure, and the company showed a profit, compared with a 1934 loss, on the sale of stocks and bonds.

Balance sheet as at Dec. 31, 1935, shows the customary strong working capital position, current assets amounting to $19,905,522, against current liabilities of $7,888,648. This leaves working capital of $12,016,874.

Comparative consolidated income and surplus accounts follow:

Income and Surplus Account
Years Ended December 31

	1935 $	1934 $
Gross sales	22,946,349	19,157,643
Ore on hand	7,575,623	5,973,439
	30,521,972	25,131,082
Less: Ore on hand prev. year	5,973,439	5,301,963
Customs ore & metal purch.	2,980,974	2,191,292
Total production	21,567,559	17,637,827
Less operat. expens.:		
Min., smelt. & gen.	12,751,789	11,173,724
Develop.	348,539	290,456
Freight & insur.	865,238	806,041
Operat. earnings	7,601,993	5,367,606
Add non-oper. reven.:		
Rents & sundry	97,475	160,987
Rev. from invest., etc.	908,622	573,127
Profit on stocks & bonds sold	12,861	*27,684
Net earnings	8,620,951	6,074,036
Less: Int. & exchange	58,659	73,122
Depreciation	2,096,257	2,380,874
Depletion	751,472	694,444
Mining & inc. tax	1,150,000	450,187
Employees' pension.	18,823	18,850
Sundry expen. w/o.	77,228	223,129
Directors' fees	27,040	21,870
Executive fees, etc.	134,912	†
Net profit	4,306,560	2,211,560

*Loss.
†Shown under general expens. in 1934.

Earnings per Share & Dividends:

Earned	$6.60	$3.39
Paid	6.50	3.00

Towagmac Exploration Co.

With no exploration or development work carried on during 1935, Towagmac Exploration Co. continues to centre its interest in its holdings of Francoeur Gold Mines, and Lake Geneva Mining Co., in addition to its interest in Aldermac Copper Corp., successor to Aldermac Copper mines.

Work on the Lake Fortune Gold Mines property in Boischatel Twp. Quebec was suspended in April, 1935.

The company's balance sheet shows its portfolio, as at Dec. 31, 1935, to comprise the following holdings:

	Shares
Aldermac Mines	2,305,142
Francoeur Mines Ltd.	685,000
Nichols Engineering	215
Lake Geneva Mining Co.	447,500

The balance sheet shows current assets of $9,162, against current liabilities of $13,812. Other assets consist of bills receivable, re-sale of 17,921 shares of Aldermac Mines not taken up by shareholders and other bills receivable totalling $38,942. There is also an unsecured loan to Aldermac Mines of $168,056.

Of an authorized capitalization of 2 million shares, $1 par value, 1,366,666 were outstanding as at Dec. 31.

Profit and Loss Account
(Years Ended Dec. 31)

	1935 $	1934 $
Rev. for invest.	15.	25.
Less: Oper. & gen. expens.	9,227	10,967
Loss on sale of invest.	84,337	.....
Loss for year	93,549	10,942
Add: Prev. deficit	193,411	196,103
Less: Loss on sale, in 1933 of Aldermac stock trans. to loan acct.	.....	13,634
Deficit forward	286,960	193,411

McWatters Gold Mines

Earnings per share of 16 cents were made by McWatters Gold Mines, Rouyn Quebec producer, the annual report for the fiscal year ended Dec. 31, 1935 shows.

The company's cyanide addition to its former 50-ton mill went into operation during the year, and earnings figures reflect the increase to 90 tons per day since October, 1935. The capacity is 150 tons per day.

Positive ore reserves, as at Dec. 31, 1935, have been estimated by W. J. Hosking, manager, at 78,000 tons, varying in grade from tailings of $7.50 per ton to broken ore reserves grading $20 per ton. At $35 gold, ore reserves are estimated to have a total value of $1,222,500.

All ore developed and milled to date has come from above the 150-ft. level. With the addition of a diamond drill a more extensive plan of exploration is under way.

Before providing for taxes and depreciation, operating costs averaged for the year $8.03 per ton of ore milled, total costs averaging $12.71 per ton. Average recovered value of the ore was $24.62 per ton.

Current assets as at Dec. 31, 1935 amounted to $227,679, comprising cash of $164,025; bullion on hand, $44,237; accounts receivable $591; and supplies $18,826. Current liabilities amount to $65,757, leaving a working capital of $161,922. This indicates a distinct improvement over the 1934 working capital position of $37,497.

Income and Surplus Account
(Year Ended Dec. 31, 1935)

	$
Production:	
Bullion	577,639
Concentrates	24,285
	601,924
Operating costs:	
Development	51,986
Mining	59,973
Milling	49,001
Office expense	10,157
Marketing bullion	7,375
Marketing concentrates	4,547
Sundry, incl. insur.	13,110
Remun. to legal advisers	100
H. O., gen. & adminis. exp.	1,120
Exec. salaries	1,200
Res. for income taxes	46,910
Operating profit	356,445
Less: Explor., devel. & admin. w/o ($1 per ton)	24,431
Depreciation (15% per annum)	40,709
Net profit	291,305
Less: Dividend	93,025
Surplus for year	198,280
Add: Previous surplus	34,695
Balance carried forward	232,975
Earnings per Share and Divid. Record:	
Earned	$0.16
Paid	0.05
Shares Outstanding at Dec. 31:	
Common, no par value	1,860,506

McKenzie Red Lake

Greatly improved working capital position, greater ore reserves, and a net profit after all charges, for the first ten months of mill operations of $134,952 are shown in the annual report of McKenzie Red Lake Gold Mines, new Red Lake Ontario producer, for the year ended Dec. 31, 1935. Mill increase, perhaps to 160 tons per day is looked for in 1936.

While the character of the ore bodies prevents an estimate of reserves, M. F. Fairlie, managing director, reports that for every ton mined during the year, two tons of ore have been put in sight. The average widths of stopes to date is 7.7 ft.

Mr. Fairlie anticipates that in future, definite estimates of ore reserves can be made.

During the year the main shaft was completed to the 450-ft. level. The main shear still continues to be the important source of ore, and its further development, both north and south, is being continued from the 450-ft. level, with highly satisfactory results.

Over all expenses during the 10 months of mill operation, and including mining, milling, general, and head office expenses averaged $6.39 per ton milled and sorted. On the basis of 36,117 tons milled, and a gross bullion recovery of $533,205, recovery averaged out to $14.76 per ton.

As at Dec. 31, 1935, current assets amounted to $355,252, against current liabilities of $49,096, leaving a working capital of $306,156, compared with working capital of $195,470 on Dec. 31, 1934.

Operating Account
(Year Ended Dec. 31)

	1935 $
Bullion recoveries*	533,205
Less: Shipping & mktg.	7,999
	525,206
Less: Explor. & devel.	92,146
Mining	74,406
Milling	56,537
Admin. & surf. costs	44,752
Head office	8,569
Travelling expenses	3,836
Legal	473
Share transfer	418
Operating profit	244,069
Add: Int. & exchange	1,362
Disc. received	143
Sundry revenue	43
	245,617
Less: Depreciation	54,462
Pre-operat. costs w/o	36,117
Taxes	20,086
Net profit	134,952

*Mill started March 1, 1935.

Mercury Oils Ltd.

A sharp falling off in production, accounts for a net loss of $6,278 during the fiscal year ended Dec. 31 1935, annual report of Mercury Oils Ltd. shows.

The company includes, among current assets, shares in other companies at cost, of $736,119, and Dominion of Canada bonds shown at $46,813. Cash of $95,960 and accounts receivable, less reserve for bad debts, of $23,203, bring total current assets to $903,202, against current liabilities of $13,981.

In 1935, naphtha production yielded $46,131 as against $97,934 in 1934. Revenue from sale of tail gas amounted to $11,872. A. H. Mayland, president, reports that the company's No. 6 well, now down to a depth of 2,800 ft., is favorably located.

Profit and Loss Account
Year Ended Dec. 31, 1935

	$
Naphtha sales	46,131
Tail gas sales	11,872
Operating income	58,003
Less: Produc. expenses	12,011
Operating income	45,992
Add: Miracle well reven.	30,355
Gas sales	4,900
Rents	1,153
Interest earned	2,220
Transfer fees	153
Sundry revenue	180
Total income	84,953
Less: Office expen.	11,561
Insurance	3,219
Licenses & taxes	1,766
Directors' fees	2,000
Depreciation	49,433
Depletion	23,,252
Net loss	6,278
Add: Previous deficit	43,250
Deficit forward	49,528

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Perron May Increase Daily Mill Tonnage

March production from Perron Gold Mines in Quebec amounted to $32,000, according to an official report by J. P. Norrie, general manager. The cyanide plant which went into operation March 12 will not be cleaned up until April 15, and the March production figures are apart from the absorption in cyanide solutions and throughout the plant.

The mill is operating satisfactorily at a daily tonnage of 126, which figure it is expected will be shortly increased.

Metal Prices

New York—April 14—
Copper: Electrolytic spot and future, $9.50.
Silver: 44¾c.

London—April 14—
(Long Ton)—
Copper: Electrolytic spot, £41 5s; future, £41 15s. Standard spot, £37 2s 6d; future, £37 7s 6d.
Tin: Spot, £210 5s; future, £204 2s 6d.
Lead: Spot, £16; future, £16 5s.
Zinc: Spot, £15 2s 6d; future, £15 7s 6d.
Gold: 140s. 10d.
Silver 20 1/16d.

Canada—April 14—
Gold: $34.97.

Silver Prices

Trading in Montreal
April 6 to April 11

	High	Low	Close	Contracts
Apr.	45.50	45.00	45.45	9
May	45.50	45.00	45.50	63
July	45.10	45.10	45.65	4
Sept.	45.25	45.00	45.50	31
Dec.	45.48	45.30	45.60	6

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Tax Increase Cuts Earnings Of Smelters

Officials State Chibougamau Development Still Inconclusive

SCORE TAXES

A vigorous attack on present taxation schedules, a lack of enthusiasm over the company's Chibougamau development, and the rather disappointing earnings figure of $6.60 per share are features of the 1935 annual report of Consolidated Mining & Smelting Co

Based on greater output, and higher prices for metals, the "street" had been freely estimating considerably higher earnings for this gold-silver-lead-zinc producer. The fact that unofficial estimates went wide of the mark appears from the report to be largely due to higher taxation, which jumped from $450,187 in 1934, to $1,150,000 in 1935. Commenting on this increase, James J. Warren, president, in his report to shareholders states:

"Most Discouraging"

"These ever-increasing imposts are most discouraging to enterprise and detrimental to national progress. No increase has been made in the percentage of the levies but the same result has been reached by arbitrary changes in allowances for depreciation exploration, etc., which may or may not be a commendable method of obtaining an objective.

"Were it not for depreciation in currency, commonly looked on as an appreciation in gold, stagnation would be inevitable. Appearances—the result of this highly artificial condition—may be deceptive, and the future cannot be viewed with equanimity."

Mr. Warren, commenting on the general outlook, states that base metal prices are not likely to decline in the near future. The building programme of Great Britain will continue to call for large supplies of these metals, "while an armed peace (if nothing worse), in Europe will require and consume substantial quantities."

Speaking of gold prices, he predicts unbalanced budgets and more or less currency inflation almost everywhere will probably continue the present relationship between currency and gold, notwithstanding the large increase in the world production of that metal.

Chibougamau Inconclusive

In speaking of the company's various outside developments, W. M. Archibald, vice-president in charge of mines, states results of the underground work done on the Cedar Bay property of Consolidated Chibougamau Goldfields have not confirmed in either width or grade those obtained in previous diamond drilling. These results, he adds, are not conclusive, and have been sufficiently encouraging to justify a continuance of underground work. Speaking of the Blake-Chibougamau property some two miles to the south of the Cedar Bay group, Mr. Archibald reports that values in gold and copper were erratic, and the future outlook indefinite.

Consolidated Smelters is also active on properties in British Columbia, Lake Athabaska, Ontario, and Nova Scotia. On the Lake Athabaska property, in Northern Saskatchewan, "a position has been attained where a mill of sufficient capacity to handle the current development rock is justified."

An analysis of the company's current financial position will be found on page 18.

Canada Northern Expands Facilities

Power Demands of Mining Camps Continue to Increase

From Our Own Correspondent

MONTREAL. — Canada Northern Power continues to expand its transmission facilities in order to meet the demands of the different mining properties in its area, according to a report mailed to shareholders.

"A branch transmission line has been constructed connecting the properties of Sladen Malartic and East Malartic Gold Mines with the company's system, and power is now available for these properties, while at Perron Gold Mines, in Pascalis Township, the mill has been completed and is now in operation.

Increase Power Demands

"In the Porcupine and Kirkland Lake camps most of the long established mines are increasing the scope of their operations by the opening up of new levels, additions to the capacity of their mills and installation of additional equipment, all of which serve to increase their power demands.

"Work on the foundation of the extension to the Blouin Lake substation has been completed and good progress is being made on the installation of additional transformers. This substation now furnishes power to three distinct new camps, viz: the Siscoe area, including Greene Stabell and Sullivan Mines; the Bourlamaque area, comprising Lamaque Gold Mines and Sigma Mines and the Pascalis Camp of which Gold Mines is the initial producer.".

Black River Gold Mines Plans Drill Programme

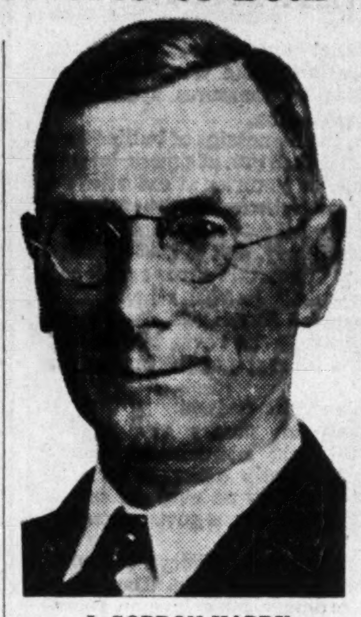
From Our Own Correspondent

WINNIPEG.—Black River Gold Mines has arranged a drilling programme to start as soon as drills can be taken into its property in the Rice Lake area. A. S. Burton, Sudbury, has been awarded the contract and two drills will be in use. Financing has been arranged between Toronto and New York houses.

Black River holds the Moose group of claims on which $80,000 has already been spent, including the sinking of a shaft to more than 100 ft. It also holds the Spence group of 30 claims adjoining the Moose and has a 20 per cent interest in the Goldzone group of 14 claims and 20 per cent interest in a group of 29 claims adjacent to San Antonio and part of which are now included in Bisset Gold Mines. Drilling is to start on the Moose claims on which surface work has indicated what appear to be likely looking ore bodies.

Mules; Metallurgy

New Falconbridge Head Knows the Whys and Wherefores of Both



J. GORDON HARDY

Most mining men are cosmopolitans at heart, and it would be difficult to select from the leaders of Canadian mining any one man who is, minerally speaking, more cosmopolitan than another. To the mining man, minerals are minerals, whether copper in Japan or emeralds in South America.

Equally difficult would it be to select a Canadian mining figure more thoroughly cosmopolitan, minerally speaking, than J. Gordon Hardy, new president of Falconbridge Nickel Mines, Sudbury producer.

Mr. Hardy's promotion, therefore brings a mineral internationalism to Falconbridge which is, in itself, an international organization, having its producing unit at Sudbury, its refinery at Kristiansand, Norway, and its marketing organization centred in Brandeis, Goldschmidt & Co. of London, England.

Trained in Glasgow

Mr. Hardy was trained in the Glasgow Technical College, in Scotland, and started his travels soon after he graduated. His first professional job was in Mexico, in 1893. Mexico in those days offered a wonderful field for the young mining engineer, and was virtually virgin ground for the British or American technical man. Being pioneers, the experts in Mexico could not afford to specialize, and had to turn their hand to any problem that came along, whether it be a balky pack mule, or a baffling flow sheet.

Mr. Hardy, in addition to coping with such problems, is credited with having introduced the cyanide process into the republic.

After making an enviable reputation for himself, Mr. Hardy became manager of an American company which had interests in North and South America, and in the far east. This position enabled the young Scotsman to gain a wide variety of experience in various fields of mining. He visited copper mines in Japan, emerald mines in Colombia, copper and nitrate mines in Chile, mines in Spain, sulphur deposits in the Sierra Nevada region of California, and others, including gold mines in Sweden.

Norwegian Deal

This international background was of great value to Falconbridge during the intricate negotiations with the Norwegian government, as a result of which Falconbridge erected its large refinery in that country. Mr. Hardy's tact, and his ability to engender faith in his colleagues was largely responsible for the successful outcome of these negotiations.

Mr. Hardy joined the Lindsley forces in 1928, and almost immediately became identified with Ventures' nickel subsidiary, Falconbridge. His knowledge of metallurgy was largely behind the present operation, both in Canada and in Europe.

Mr. Hardy's home address is given as Redding, Connecticut, but his wife and son must sometimes doubt it, since most of his time seems to be spent between Sudbury, Toronto, New York, and points east.

Probably one of the best clues to a man's character is in the feeling of his associates and those working under him. They, it is who see him at his best or worst. They get a chance of seeing how he meets problems and crises, success and failure. Mr. Hardy's associates seem genuinely pleased with his appointment, and speak of their new president in terms which would appear fulsome in print, but which ring with obvious sincerity when spoken.

South Africa's New Tax Gets General Approval

It Falls Lightly on Narrow Margin Operators

After years of dissatisfaction, South African mining companies and investors are apparently favorably impressed by the new schedule of taxation proposed in the budget speech of Hon. N. C. Havenga, Minister of Finance.

The new proposals not only reduce the normal income tax from 20 to 15 per cent, but simplify other taxation which formerly was levied via an intricate Algebraic formula which few seemed to understand.

Under the old scheme, South African mines paid normal income tax of 20 per cent, a surtax, and an excess profits tax.

Under the new arrangement, they will pay a 15 per cent normal income tax, and the former surtax and excess profits tax have been combined into one levy, a graduated tax at the rate of 35 per cent of the value of the gold recovered less 40 per cent of the cost of its extraction, divided by the profit.

To use an example in Canadian currency, supposing a mine is milling ore of a value of $8 per ton, with costs of $6 per ton, it would pay taxes according to the following formula:

$$\frac{15}{100} + \frac{\frac{35 \text{ of } 8}{100} - \frac{40 \text{ of } 6}{100}}{2} = \frac{15}{100} + \frac{25}{100} = 35\%$$

Under the graduated formula, the maximum rate levied will be 35 per cent, so that the total maximum tax rate payable by a South African mine will, with the 15 per cent normal income tax, be 50 per cent.

It will be seen that a company operating under a narrow margin of profit will be entirely released from this tax, and will pay only the 15 per cent normal income tax. For instance, if a mine is working on $8 ore, and has costs of $7, the formula above, if applied, would work out to a negative quantity as follows:

$$\frac{\frac{35 \text{ of } 8}{100} - \frac{40 \text{ of } 7}{100}}{1} = \frac{0}{1}$$

Not Comparable Here

Those not familiar with mining conditions in the two countries will immediately seek to compare the levies paid by South African Mines with those paid by Canadian companies. This cannot be done, equitably. In the first place, a large percentage of South Africa's $300 million annual gold output comes from government owned areas, worked by private companies under an agreement which gives to the government a very large part of the profits.

As has been pointed out frequently in these columns, the element of speculation in South Africa's mining picture is not nearly so predominant as in Canada, owing to the irregularity of Canada's ore bearing veins, compared with comparatively regular reefs of the Rand

Thirdly, labor conditions are vastly different. In South Africa, native labor is easily obtainable at wages as low as 50 to 75 cents per day. For every one white man employed in South African mines, four blacks are engaged. Canadian mines employ only white labor, at average wages in excess of $5 per day.

The feature of the new South African schedule which should interest Canadian taxing authorities at this pre-budget period is the obvious desire to encourage rather than hamper mining, even in a country where the initial hazard is not nearly as great. The reduction of the normal income tax by 5 per cent, the simplification of the other schedules, and the arrangement whereby a narrow margin of profit means little or no taxation, are all being greeted as a definite tribute to the importance of the mining industry to South Africa.

Drilling at Gurney Proves Ore Depth

From Our Own Correspondent

WINNIPEG.—Diamond drilling northwest of the shaft of Gurney Gold Mines, formerly Wylie-Dominion has proved to depth the values and widths as indicated on the surface and in the 125-ft. level. More recent drilling, just about completed southwest of the shaft, proves the continuance of the vein systems for at least 200 ft. in that direction, according to C. B. Dawson, consulting engineer for the company. It also establishes persistence of the vein to depth and an important length of excellent grade material.

The shaft is now down over 300 ft. and before the end of the month will have reached the first objective, the 375-ft. horizon.

Seek Conservation Of Turner Valley

Turner Valley operations of Imperial Oil subsidiaries in 1935 included one new well completed and start on drilling another. They also acquired an interest in a well in the southern extension of the field. Small properties in the older part of the field were bought to aid in the conservation of gas and more economical operation.

Production in Turner Valley of these subsidiaries in 1935 was 633,955 barrels as compared with 717,501 in 1934. A new absorption plant was completed in the south end of the field during 1935 and the ratio of recovered naphtha to gas output was increased. Yet total output was reduced in line with company's policy of prolonging the life of the field. It bought 252,712 barrels from other producers as compared with 253,142 barrels in 1934.

The company controlled at the end of the year 82 oil and gas wells in western Canada.

Thompson-Cadillac Mill Starts April 15

From Our Own Correspondent

MONTREAL.—Milling operations of Thompson-Cadillac Mining Corp. will be commenced on an initial basis of 50-60 tons per day, according to the president of the company.

Thompson-Cadillac already has a complete 150-ton cyanide mill. Tests made by the Ottawa Testing Laboratory have indicated, however, that better extraction could be obtained by flotation and amalgamation. These changes and alterations are now in hand.

According to the company's engineers, these changes were to be completed and milling operations commenced on or before April 15.

The company's mining engineer estimates that from the 300-foot level up to the surface there are indicated 30,000 tons of ore, with 25,000 tons grading $12.60 a ton and the remainder, judged from car samples over a width of five feet assay $24.15 a ton.

Howey Cuts Costs In First Quarter

For the first quarter of 1936, Howey Gold Mines, Red Lake producer, treated 132,972 tons of ore, from which bullion to the value of $325,312 was obtained, The Financial Post learns. Operating profit, before taxes, depreciation, and pre-production write-off, amounted to $118,000. This compares with an operating profit in the last quarter of 1935 of $121,386. Operating costs per ton in the quarter ended March 31, 1936, amounted to $1.56, compared with $1.64 per ton in the last quarter, 1935.

Fuel is Worry At Athabaska

Big Operators Continue Active Development Programme

From Our Own Correspondent

REGINA. — Consolidated Mining and Smelting Co., will take in a 500-ton mill to Goldfields this summer the equipment to be obtained from a British Columbia plant now a non-producer, it is understood.

This company's No. 1 shaft is now reported down 200 ft. and No. 2, 150 ft. No. 2 shaft is 1,400 feet from No. 1 shaft. At the 125-ft. level from No. 1 shaft 2,500 ft. of drifting has been completed with crosscutting. There are 60 men at work.

Athona also has a shaft down to the 150-ft level with 1,000 ft. of lateral work completed. Forty men are at work on this property. The Star shaft of the Lee-Greenlaw property is down 40 ft. with no lateral work.

Surface work is continuing on these properties: Murmac-Lake Athabaska, Athona Portal, Northwest Minerals, Sterling Collieries, Athabaska-Beaver Lodge, Mineral Belt Locaters, J. G. Paulson and Ventures, Ltd. Diamond drilling is continuing on Athabaska Portal and Northwest Minerals.

There are now four assay plants in the field, one with Smelters, another with Athona and the others with Athabaska-Portal and Murmac-Lake Athabaska.

Before long a major fuel problem will be the chief worry of operators in the Goldfields area as the scrub timber in the vicinity of the workings is being depleted rapidly. Erection of oil-burning plants will help in some cases but development of water power is the main consideration and before long the Saskatchewan department of natural resources is expected to tackle this problem for rapid development.

Extra river and lake transportation will be provided this summer from Waterways and it will be over the water route that the heavy freight will be taken in.

Windsor-Cobalt Silvers Expect Shipment Soon

Speaking at the annual meeting of Windsor-Cobalt Silvers Ltd. with a silver-cobalt prospect at Cobalt, Ontario, Dr. A. D. McArthur, president, said work had been pressed in shaft No. 2, which has been sunk to a depth of 75 ft. and that shipments of cobalt ore might be expected in the near future. It is intended to continue sinking to the 125-ft. level.

Dallas Back in Calgary On Oil Well Promotion

Famed Figure of Boom Days of 1929 Proposes to Drill Again

SHADES OF CALMONT

From Our Own Correspondent

CALGARY.—J. C. Dallas, outstanding oil company promoter when dozens of wells were being drilled simultaneously in Turner Valley, when Solloway Mills & Co., Stobie, Forlong & Co. and other brokerage concerns, now defunct, afforded facilities for wild speculation in Alberta oil stocks, is back. He is engaged in a new promotion.

The present promoter of Roxana Petroleums, Ltd., which proposes to drill a test well on the Kootenay Dome, west of Calgary, is a well-known figure in Alberta although he has been absent from this province since the collapse in 1929-30.

As vice-president and managing director of Calmont Oils, Ltd., Dallas launched the most ambitious oil well drilling programme in the history of Canada—a programme which almost wrecked the Calmont company.

Expensive equipment was purchased including steel derricks and heavy rotary rigs and he built elaborate quarters for the drilling crews. In 1930 "progress reports" were issued on no less than 12 Calmont wells. These wells either turned out to be small producers, practically dry holes or were not completed in the limestone. There are only two Calmont producers today and they have been acquired by the Royalite Company which takes the production.

Show Place of Banff

As vice-president and managing director of Calmont, Dallas made his Calgary home at the C.P.R. hotel, while at Banff he built a summer home which was a show place of the mountain resort, reputed to have cost approximately $120,000. After Mr. Dallas's departure from this vicinity this resort home was foreclosed on for payment of the unpaid building contract and was sold to a group of New York sportsmen for a portion of the cost of the building.

Mr. Dallas proved Alberta's stock salesman supreme on visits to England. He succeeded in interesting members of the British aristocracy in Calmont prospects and the following are still on the Calmont board of directors: The Rt. Hon. Lord Askwith, K.C.B., president of the company; Sir William Cope and Sir Francis Price, directors. Col. A. W. Pryce-Jones, of London, is also a director.

Suing Calmont

At the present time Mr. Dallas is engaged in a lawsuit against Calmont Oils, for the recovery of $31,075 allegedly representing arrears in salary due him for his services when he was vice-president and managing director. The action is expected to come to trial in the Alberta Supreme Court before vacation this year.

In August, 1932, The Financial Post made the following reference to the Calmont company:

"Juggling of the financial structure of the company has been frequent. Upon incorporation it had an authorized capitalization of $1,000,000 in $1 par value shares. This was later increased to 2,000,000 shares. Still later it was increased to 10,000,000 shares and late in 1930 it was reduced to the present capitalization of 3,000,000 shares of which 2,105,586 shares are outstanding."

The present capitalization is 3,000,000 shares of which 2,112,766 shares have been issued.

J. C. DALLAS

Herbert Greenfield, former Premier of Alberta, is Mr. Dallas's successor as vice-president and managing director of Calmont. It is to his credit that Calmont has staged a financial comeback, being $240,000 better off than a few years ago. In 1934-35 the company improved its cash position by $180,000 through the sale of its Turner Valley lease to the Royalite Company and by sale of equipment, and has, at present, liquid assets worth $90,000 and a $150,000 indebtedness, left from the boom years, has been liquidated. The company entered into voluntary trusteeship for the liquidation of its indebtedness in 1930. For the 40 acres Calmont received 6,500 Royalite shares, the proceeds of which were applied in settling liabilities.

Calmont stock reached a high of approximately $5.75 on the Calgary Stock Exchange in May, 1929, when the company had a 2 million share capitalization. With a 10 million share capitalization it reached a high of approximately $3.75 in October, 1929. Today Calmont stock is trading at about 11 cents a share with a 3 million share capitalization.

Imperial Oil Profits Mainly Outside Canada

Cautious About Future Until Government Policies Mature

HUGE INCOME TAXES

Emphasis that Imperial Oil, Ltd. is more a world company than it is a Canadian company is given in the financial statement for 1935. G. Harrison Smith, president, states that "by far the greater part of its petroleum business is conducted in world trade outside of Canada through the operation of various subsidiary companies in which there are large minority interests."

Pete Sells Abroad

Of the crude oil produced by foreign subsidiaries only 19 per cent was brought to Canada. The remaining 81 per cent was sold to Europe, the United States, South America and other foreign countries. Rates and prices paid to the company's marine department, to affiliated and subsidiary companies for crude and transportation services and for other materials were those established by free competition in world markets, states Mr. Smith.

The net results of these world operations is that the income taxes paid in Canada are in excess of net profits attributable to Canadian refining and marketing operations alone by nearly $100,000. Thus shareholders owe their dividends to foreign profits mainly and the dividends from these companies exceeded their total 1935 earnings by $8.8 millions. International Petroleum's earned surplus alone is sufficient to permit of maintaining dividends in excess of current earnings at the present rate for some five years.

Profit Spread Narrows

Canadian demand was larger, states Mr. Smith, but the spread between cost of crude oil and Canadian prices for principal products of petroleum was narrower. Net earnings were therefore slightly down. Wages were increased at the refineries at the outset of 1935, but operating economies of nearly $300,000 were nevertheless accomplished. But taxes went up $242,830 and prevented full benefit being obtained from these economies.

The company had to meet two large items of expense in connection with two enquiries, one by the Dominion Tariff Board at the instance of the Co-Operative Trading Association of Saskatchewan and the other by the British Columbia government. The Tariff Board considered an application for revision of customs duties on crude petroleum and its derivatives and the royal commission in British Columbia made an enquiry into the economic relationship between the coal and oil industries in that province.

Judgment Suspended

"In these, as in previous enquiries," states Mr. Smith, "your company's executive had to carry the burden of most of the work necessary to provide the vast amount of data required with regard to the operation of the petroleum industry in Canada.

"In the conduct of an industry it is most desirable that plans for the future be formulated with reasonable confidence. This is exceedingly difficult to do at a time when judgment must defer to the many uncertainties arising out of a general instability in conditions which your company must face in the operation of its business. Caution has always played a large part in the direction of your company's affairs and its importance in this perplexing period must not be under-estimated."

No reports have yet been published at Ottawa or Victoria as a result of the two enquiries.

An interesting commentary on the investment in subsidiary companies of $43.4 millions is that the present market valuation of International Petroleum stock exceeds half a billion dollars. That subsidiary earned one-half of the total amount shown on the balance sheet of Imperial Oil for the worth of all its holdings in subsidiary companies in the year ended June 30, 1935, and there is reason to suppose it is doing better in the current year because output has been maintained and prices are higher. Drilling operations are being extended and all accounts indicate that the company's South American fields should become more valuable as the years go by.

Carries Own Insurance

The company carries its own insurance and its reserves for fire, marine and other insurance now reach $9.8 millions. Its reserve for employees' annuities totals $8.3 millions. A note to the balance sheet states the company had at the end of 1935 outstanding contractual and contingent liabilities aggregating $3.4 millions. It provided $574,103 up to June 30, 1935, for the Employees Cooperative Investment Trust 3-year plan which expired June 30, 1935. Counsel and solicitors' fees and salaries of executive officers and salaried directors in the year amounted to $210,386.

Imperial Oil Tale Told by Pictures

Record Daily Exploits by Air, Sea and Land in Canada

Imperial Oil has arranged a national campaign of unique advertising throughout Canada in weekly and daily newspapers which have a total circulation of more than 3.4 millions. The campaign gains its appeal from actual photographs of outstanding human interest taken from every industry and every region in Canada where Imperial Oil gasoline, lubricating oils and other petroleum products go.

Thus one sees an Eskimo boy playing with a gasoline drum, sealers on the ice near Newfoundland, aeroplanes delivering gasoline in the Arctic and the Mackenzie River, prospectors and airmen flying in multifarious duties about Canada, logging with oil-driven and lubricated locomotives, tankers all the way from the Welland Canal to the Panama Canal, football games in Colombia, native housing in Peru, farming in Alberta, a forest fire in British Columbia which would not have happened if the engine had used fuel oil, refineries, farmers ploughing without horses and a picture of the first service station in Canada (Imperial's at Vancouver).

Shenango Gold Mines—Expects its new 25-50 ton mill to be in production by the end of April. The company reports "upwards of 2,000 tons" of ore available on the dump, and it is planned to blow out about 50 tons per day from the open cut when production starts.

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"Behind schedule", retorted Mr. Picobac comfortably exhaling a fragrant blue cloud from a pipe filled with the pick of Canada's Burley. "We'll be planting out the young tobacco seedlings before we know it. I tell you it's great to be alive these days—with plenty of Picobac on hand—and plenty more in prospect."

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GROWN IN SUNNY, SOUTHERN ONTARIO

“The Money Mystery”—By Sir Norman Angell

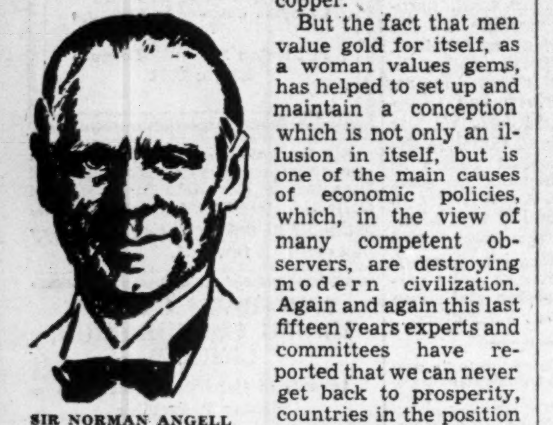
World Famous Economist Strips It of Technicalities, Confusion, Complications

The World’s Chief Money Illusion

CHAPTER III

By SIR NORMAN ANGELL

We saw in a previous article how naturally, almost inevitably, men came to the use of precious metals as a medium of exchange, in preference to perishable or bulky commodities like cattle or copper.



SIR NORMAN ANGELL

But the fact that men value gold for itself, as a woman values gems, has helped to set up and maintain a conception which is not only an illusion in itself, but is one of the main causes of economic policies, which, in the view of many competent observers, are destroying modern civilization. Again and again this last fifteen years experts and committees have reported that we can never get back to prosperity, countries in the position of Canada never dispose of their surplus products advantageously, until there is a freer exchange of commodities throughout the world, and until some of the artificial barriers to commercial intercourse are removed. Until we can get healthy international trade restored, we cannot get healthy finance—a sound and stable money.

Taking Money But Not Goods

But those barriers are maintained owing to the general view that the purpose of national trade should be to get the foreigner’s money and keep out his goods; that his money is desirable and his goods are not. Yet it is clear that if we could imagine a country succeeding so completely in that policy that it should go on receiving foreign money and never a pound of foreign goods, it would quite obviously be getting steadily poorer. If it were not adding to its stock of real wealth—not getting more things to wear, use, enjoy. The whole object of a nation’s foreign trade is quite obviously to receive ultimately, if not immediately as much as possible of foreign goods.

Now that is a truism, mere tautology. Whatever the truth about protection or free trade, that at least is a quite undeniable truth, a truth which no protectionist who knows his job would for a moment attempt to deny. Yet we know that very many “practical business men” would regard it as just theoretical nonsense. The fact is a measure of the extent to which money has come to be confused with wealth, the symbol or counter taken for the thing it represents.

We see that if a man has plenty of money he is wealthy; we conclude, therefore, that to increase a nation’s money is to increase its wealth. For hundreds of years laws were made—indeed every nation is still making them in one form or another—with a view to getting as much foreign money as possible, and as few goods. Every nation is trying to sell and trying not to buy. A statesman of the sixteenth century laid it down that “as with a merchant, so with a nation; if it sells much and buys little it becomes rich, it will prosper.” It must aim at accumulating what he called “treasure” (gold and silver), and must refuse as far as possible to accept goods.

Under the mercantile system it was all but universally held that if only a country accumulated gold and silver from abroad, and never took foreign goods at all that a country was bound to become rich, although, again, in that case it would be acquiring no addition of things to eat, or wear, or use; would not be adding to its real wealth at all.

It is very important, if we are to think clearly about money at all, to realize fully why this last statement must be true. Let us take a case.

Here is an island whose population live precariously, say, on whale blubber or fish, and they need various forms of wealth, clothing, flour, sugar, tea, medicines, minerals, in order to prevent them dying of bad food, cold, hunger. They insist that nothing but gold or silver be permitted to come in from abroad. How will that help them? They would still lack clothing, coal, wheat, bread. If they were to discover a mountain of gold it could not help them unless they could send that gold abroad and exchange it for consumable things. It is mere tautology to say that if a country does not get any goods from foreign countries it does not add to its wealth, i.e., its stock of goods. Sooner or later consumable things must come in as the result of trade, or nothing comes in, save dead metal. This much is almost self-evident.

In 1871 [illegible] and its people were dying from lack of food and fuel and clothing; they were living on dead horses, rats, cats, dogs, animals from the zoological gardens. The vaults of the Bank of France were filled with gold. If the gold had been brought out and distributed among the population there might have been a somewhat different distribution of food—the poor might have got more and the rich less.

Must Be Exchange of Goods

But it is clear that in Paris as a whole, so long as the gold was kept within the city, not one loaf of bread, not one pint of milk, not one single egg, not one ounce of fuel, would have been added to the starving, freezing city. The gold could serve as a means of adding to real wealth—food and fuel—on one condition only; that it was permitted to leave the city, and food to be brought in in exchange. The same thing is, of course as true of any island of forty millions as of a city of four; if no real wealth comes in, no real wealth comes in, and to add to the stock of money, so long as it cannot be exchanged for goods from the outside, does not increase the stock of wealth.

Our statesman of the sixteenth century in his analogy between the merchant and the nation did not complete it. The merchant having got his money does, in fact, part with it for goods—rich food, houses, furniture, wines, what not; to secure those goods, that increased standard of life, is normally the whole purpose of his trade. If we were to apply to the merchant the old mercantilist laws that were always being applied to nations, and compel him, having got gold or other money, never to part with a penny of it, the law would, in fact, condemn him to death by starvation. Unless trade, whether that of the individual or the nation, adds to our stock of goods, of those things which constitute the standard of life, food, clothing, shelter, amusement, then it has not added to wealth.

“If we were to apply to the merchant the old mercantilist laws and compel him, having got gold or other money never to part with a penny of it, the law would in fact condemn him to death by starvation.”

Yet speaking broadly, from the beginning of the period when the money economy became once more dominant in Europe (say, the twelfth century or thereabouts), until nearly the end of the eighteenth century, the policy of the European states was guided by the assumption that the one object was to increase the stock of precious metals and to keep out goods. Nations introduced elaborate legislation with a view to keeping out each other’s goods, and getting in each other’s gold and silver. Some monarchs employed alchemists to find the philosopher’s stone which would make gold as common as iron; some caught alchemists and kept them in prison on bread and water until they should do the trick.

Spain’s Futile Policy

Some states, like Spain, persisted in the bullionist policy in its crudest form, and based their policy on the assumption that if they could secure plenty of the precious metals neither trade nor industry was necessary. Spain secured the metals in enormous quantity, as we know, and tried to prohibit their export. In his History of Mercantilism Mr. Horrocks tells us the outcome.

It was hoped that by the procurement of treasure direct from the mines and by the profits obtained from the colonial demand for European goods and commodities, the power of Spain would be firmly rooted in the enjoyment of abundant wealth. In order to retain treasure in the country, not only was its carrying out prohibited, in accordance with earlier policy, but it was ordered that such foreign goods as were bought should be paid for with Spanish products, and not with Spanish money. But the system failed to produce anything other than an artificial appearance of wealth and power. The colonial monopoly for a time gave a stimulus to industry, but the influx of the precious metals had the effect for a considerable period of sending up prices in Spain to a level beyond that reached in other countries, as the veto on transportation checked any movement of equalization. Moreover, the lust for treasure gained strength at the expense of industrial enterprise. Commerce, industry, and agriculture alike were stifled by over-regulation, often by measures specifically intended for their protection.

Despite, therefore, the mountains of bullion that poured in (much of it leaked out, of course, largely in payment for smuggled luxuries at extortionate prices), all records bear testimony to the country’s poverty. In 1673 we hear of forty per cent interest which the Crown had to pay, and in 1686 Spanish finance is depicted as “a horrible chaos enveloped in impenetrable darkness.” In 1700, when Carlos II, the last of the Spanish Hapsburgs, died, there was not enough money in the royal treasury to defray the cost of the funeral and the masses for his soul.

Confusion Still Present

The confusion between money and wealth which provoked this old mercantilist policy flourishes today in a slightly different form as abundantly and destructively as ever, so far as the ordinary man (and sometimes government) is concerned.

Economists have a curious hesitancy in admitting the extent or depth of this feeling. They seem to attribute to the ordinary busy layman something of their own clarity of thought on this subject. Yet, in fact, the layman today thinks pretty much as the layman of mercantilist Europe thought four or five centuries ago.

The mercantilist illusion lies at the root of much modern economic nationalism; it lay at the root of our difficulties in dealing with the debt and reparations problem, to which reference was made in a previous article.

The older form of the doctrine was a less dangerous fallacy, in that its adherents expressed it in a theory which could be examined and refuted. In our day we no longer formulate the theory, but go on acting as though the theory were sound, as when we told Germany after the war that she must pay the whole cost of the war, but she must not be allowed to increase her exports so as to compete with Allied trade; and no one seemed to see that the condition made the execution of the demand impossible. Such confusions still render impossible economic world settlements, which otherwise would have been made long since. A curious element of the situation is that the confusion which engenders these disorders is one which would not entrap a savage whose mind had not been bemused by the money illusion. A negro from equatorial Africa, accustomed to think of wealth as goods—things to eat, or use, or wear, rare food, fine clothing, jewellery for adornment—would not dream of saying to a rival tribe: “You shall deliver us great wealth; but no goods must come from your territory into ours.”

One great lesson emerges:

Nine-tenths of economic fallacies would be avoided if, when puzzling out an economic problem, we “thought in goods,” thought, that is, of the things which are the whole object of money, instead of “thinking in money”, asked concerning a suggested policy not whether it would give the nation or a particular group more money, but whether it would give it more things to eat and wear and use. We shall appreciate the importance of this distinction as we follow the story of money’s development, into credit and banking, and the monetary and economic effect of those forces.

As we have considered in this article the main fallacy to be avoided, we shall in the next, consider the main money truth to be kept in mind.

The BACHELOR’S CORNER

Birds of Happiness

I’m no ornithologist, but I can distinguish a sparrow from a robin, crow or woodpecker practically at a glance. And I can generally spot a bluebird. The fact that they really *are* blue, in certain lights, assists me in this; then, too, I’ve had a special interest in the little blighters ever since Maurice Maeterlinck dubbed them “Birds of Happiness” . . .

I like that phrase. And Bluebirds seem to live up to it. Just watch one of them flitting about these days, warbling his satisfaction. Why, say, if he were human, he’d be going around shouting “Cheerio” to all his friends and handing out cigars—and it’s my guess the cigars would be Bachelors, too, because:

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Effect Wide In Trade Pact

Important Changes in Imports and Exports Due to U. S. Agreement

Official figures from Ottawa last week reveal that whisky, lumber and newsprint, fish, cattle, hides and nickel are the chief items responsible for the 38 per cent gain in Canada’s exports to the United States during February.

Total exports at $21.5 millions were almost $6 millions higher than in the same month last year, the increased trade being distributed largely as follows. It will be noted that, with the exception of newsprint, nickel and other metals, the items affected are all those where the tariff was changed by the treaty:

	Feb. Exports to U.S. $	Increase Over Feb., 1935 $
Alcoholic bev.*	2,309,000	1,799,000
Paper†	5,390,000	1,006,000
Nickel	1,717,000	729,000
Fish	1,063,000	300,000
Planks & boards	816,000	395,000
Cattle	626,000	270,000
Hides (raw)	333,000	230,000
Asbestos	461,000	216,000
Silver	573,000	202,000
Meats	239,000	95,000

*Chiefly whisky.
†Chiefly newsprint.

Imports Up 10 Per Cent

Canada’s imports from the U. S. in February totalled almost $26 millions, an increase of $2.5 millions or about 10 per cent. The chief gains were distributed largely among items affected by the treaty with the exception of cotton, coal and coke, and were as follows:

	Feb. Imports from U.S. $	Increase Over Feb., 1935 $
Raw cotton	1,441,000	640,000
Machinery	1,708,000	508,000
Furs (chiefly raw)	676,000	350,000
Coal	2,876,000	300,000
Fruits	845,000	118,000
Books & printed matter	664,000	125,000
Electric apparatus	630,000	97,000
Coke	512,000	94,000
Farm implements	425,000	82,000

ELECT SANGAMO OFFICERS

George W. Lawrence, Toronto, has been elected president of Sangamo Co., Toronto electrical firm. W. S. Ewens has been made vice-president and general sales manager.

Mr. Lawrence is also a director of Wagner Electric Manufacturing Co.

Housing Shortage Faces Winnipeg

Winnipeg is facing a shortage of houses and apartment suites which may easily assume serious proportions, according to F. H. Avery, in a special article on the housing situation in the Winnipeg Free Press. Mr. Avery estimates that less than two per cent of the homes in Winnipeg are unoccupied, and less than five per cent of the available suites are vacant. This compares with a normal vacancy of about 10 per cent.

Mr. Avery finds, however, that there is a reluctance on the part of loaning company officials to discuss the possibilities of a building boom stimulated by the Dominion Housing Act. Apparently some preliminaries will have to be cleared away before the stage is set for a revival of building in Manitoba’s capital city.

General Brewing Sales Benefit Capital Estates

Sales of General Brewing Corp., San Francisco, have been a favorable influence on shares of Capital Estates Ltd., Vancouver, which owns 73,500 of the brewing firm’s shares.

Shares of Capital Estates Ltd. are mostly held in British Columbia, and are listed on the Vancouver Stock Exchange. The company also owns debentures and shares in Star Brewery Co., Vancouver, Wash. This brewery’s sales have been affected by adverse winter weather, but recently have shown a tendency to improve, according to Financial News, Vancouver.

Western Furs

The value of furs sold in Saskatchewan for the fiscal year 1934-1935 was $1,263,056.

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New Ford Plan Meets Success

The $30 a month plan for purchase of Ford cars in Canada is meeting with marked success in the two or three weeks the plan has been in operation, according to company officials.

Unlike the former time purchase method, the new plan distributes payments over periods longer than 18 months. The effect is to permit time purchases of Ford cars by families of limited income but whose circumstances render them a desirable type of credit risk. Principle of the plan is that purchases are arranged with variable factors of down payments and term of note, but with a constant factor of $30 a month in payments.

Buyers of Ford cars can estimate a charge for fire, theft and $50 deductible collision insurance for two years, to be added to the cash selling price. The down payment, approximately one-third of the selling price, is then deducted, and to this unpaid balance is added the finance charge for the period of time payments over which $30 monthly payments are made to cover the total balance.

Former time payment arrangements involved payments up to about $50 a month over shorter periods and, according to Ford dealers, were found in many cases to be a hindrance to the purchase of new cars by otherwise excellent credit risks. Government employees, teachers and other classes of salaried car buyers were often excluded by terms of former financing methods but these people (it is said) with assured incomes, are now placed in the category of potential car buyers.

The new financing plan, national in scope, is operated by Traders Finance Corp., Ltd., for the Ford Motor Co.

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St. Catherine Improvement Calls Bondholders Meeting

From Our Own Correspondent

MONTREAL.—St. Catherine Improvement Co., Montreal, has called a meeting of the holders of 6½ per cent first (closed) mortgage leasehold bonds for May 7 next to consider a proposal modifying their rights.

The plan to be put forward provides for waiving default of the sinking fund from July 1, 1933 to January 1, 1936. The sinking fund will be put on an annual basis of 1½ per cent of the principal amount, calling for payment of $2,825 instead of $17,500 as at present.

The bonds are now payable as to principal and interest in Canadian and American funds and the proposal calls for the elimination of the American-pay feature.

Bondholders also will be asked to approve a reduction in interest rates from 6½ to 5 per cent, the reduction to apply to the installment due July, 1936.

This plan follows closely along the lines of one put forward in February, 1934. At that time a meeting of the bondholders was called but no action was taken due to failure to secure a quorum.

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